

Mighty Earth Statement of Facts - JBS

May 2024

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I. JBS

JBS S.A. (JBS) is a large multinational company headquartered in São Paulo, Brazil with operations in more than 20 countries, including Argentina, Australia, Brazil, Canada, France, Germany, Hungary, Italy, Mexico, the Netherlands, New Zealand, Portugal, Puerto Rico, the United Kingdom of Great Britain and Northern Ireland, the United States of America, Uruguay and Viet Nam.¹ JBS claims to be “the largest protein company and the largest food company in the world”² and “the #1 global beef producer in terms of capacity, according to Nebraska Public Media, with operations in the United States, Australia, Canada and Brazil and an aggregate daily processing capacity of approximately 75,700 heads of cattle.”³ JBS owns several brands; sells a range of protein products, including beef, pork, and poultry; has more than 335,000 customers in approximately 180 countries; and employs 260,000 people.⁴

In 2022 JBS reported a “free cash flow generation of R\$2.1 billion (approximately US\$430 million),” a number they claim is a “much higher result than its sector competitors” and its “highest revenue in its history, R\$374.9 billion (approximately US\$77 billion).”⁵ JBS has been focused on growth in recent years and claims that it has grown the business “rapidly through strategic acquisitions and organic growth via a continuous focus on efficient capital investment targeted at high-return opportunities.”⁶ JBS’s expansion and acquisitions from 2009 to 2015 were largely been fueled by corruption, as found by the Securities and Exchange Commission in a 2020 proceeding.⁷

The company has more than 70 brands, including Pilgrim’s, Swift, Moy Park and Primo⁸ and has several well-known clients, such as Burger King, Mars, McDonald’s, Nestlé,

¹ See: U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>; CDP, JBS S.A – Climate Change 2023, accessed with a login, see: <https://www.cdp.net/en/responses/9730>

² See: U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>; “Brazil’s JBS swings to loss, citing grain costs and meat oversupply,” *Reuters*, Roberto Samora, Ana Mano, May 12, 2023; Chain Reaction Research (2020) *JBS: Outsized Deforestation in Supply Chain, COVID-19 Pose Fundamental Business Risks*, Chain Reaction Research: Washington, D.C., United States

³ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁴ See: U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>; Mighty Earth (2022) *The Boys from Brazil, How JBS became the world’s largest meat company – and wrecked the climate to do it*, Mighty Earth: Washington, D.C., United States; *JBS (2022) JBS Sustainability Report*, JBS: São Paulo, Brazil

⁵ “JBS ends 2022 with record net revenues of R\$375 billion, consolidating its position as a global food leader,” JBS, press release, March 21, 2023

⁶ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁷ U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

⁸ JBS Foods Group, Our Brands, see: <https://jbsfoodsgroup.com/our-brands>

Carrefour, Outback Steakhouse, Pizza Hut, Wendy's, Subway, KFC, Lidl, Tesco, Walmart, The Cheesecake Factory, Costco, and the United States government.⁹

In the United States, a subsidiary of JBS, JBS Foods USA (JBS USA) owns several subsidiaries, has 81 facilities, employs more than 66,000 people and, claims to be the “#1 producer of beef” and “#2 producer” of both pork and poultry” in the country.¹⁰ The United States represents 49% of JBS's net revenue in the quarter ending September 30, 2023, far more than any other single country, including Brazil which represents 13%.¹¹

A. JBS and cattle business in Brazil

In Brazil, JBS's cattle business has grown substantially in recent years. Between 2009 and 2020, JBS's base of direct cattle suppliers in the Amazon doubled, from about 7,700 to 16,900, while the number of JBS slaughterhouses in the Amazon rose from 10 in 2009, to 21 in 2021.¹²

“The cattle ranching business in Brazil comprises three different phases before cattle are slaughtered: breeding, rearing and fattening (. . . While some cattle might live on the same farm throughout the three phases, more often cattle are moved between different farms. Farms selling cattle to meatpacking companies are called direct suppliers, while all other farms where cattle have grazed previously (which could be one, two or even more) are known as indirect suppliers (. . .) Academic researchers have estimated that almost all farms buy from another property. The estimate ranges from 91-95% [of all farms].¹³

As recognized in its U.S. Securities and Exchange Commission (SEC) filing, the Brazilian cattle industry generally, and JBS in particular, are associated with the invasion of Indigenous lands and protected areas, deforestation, and human rights concerns.¹⁴ Commercial ranching “is illegal in Reserves and Indigenous territories in Brazil.”¹⁵ As explained by Amnesty International, “Brazil's Constitution and international human rights obligations affirm Indigenous peoples' exclusive land rights and freedom to manage natural resources in their traditional territories.”¹⁶ In recognition of these laws and rights, the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), has

⁹ See: Mighty Earth (2022) *The Boys from Brazil, How JBS became the world's largest meat company – and wrecked the climate to do it*, Mighty Earth: Washington, D.C., United States; “Federal government won't stop buying food from meatpacker tied to bribery case,” *Politico*, Marcia Brown, January 10, 2023

¹⁰ JBS Foods USA, Our Business, see: <https://jbsfoodsgroup.com/businesses/jbs-foods-usa>

¹¹ JBS (2023) *JBS Institutional Presentation 3Q23*, JBS: São Paulo, Brazil

¹² “How Big Beef Is Fueling the Amazon's Destruction,” *Bloomberg*, Jessica Brice, January 21, 2022

¹³ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil's Amazon Found in JBS's Supply Chain*, Amnesty International: London, United Kingdom

¹⁴ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

¹⁵ See: Presidência da República, Casa Civil, Subchefia para Assuntos Jurídicos, Lei N° 9.985, de 18 de Julho de 2000, July 18, 2000; Constituição da República Federativa do Brasil 1988, Capítulo VIII, art. 231; Presidência da República, Casa Civil, Subchefia para Assuntos Jurídicos, Decreto N° 6.040, de 7 de fevereiro de 2007, February 7, 2007

¹⁶ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil's Amazon Found in JBS's Supply Chain*, Amnesty International: London, United Kingdom

conducted recent raids, alongside Brazilian federal police, to combat illegal logging and ranching in Reserves and Indigenous territories.¹⁷

More broadly, IBAMA embargoes property throughout Brazil that has been illegally deforested, in Reserves or otherwise protected areas. The purpose of the embargoes is to punish landowners and allow impacted forested areas to recover.¹⁸ Ranchers, meatpackers and others can check the list of embargoed properties to avoid purchasing from illegally deforested properties.¹⁹

The Government of Brazil also maintains a “Dirty List” of employers that have been found by government inspectors to have subjected workers to “conditions analogous to slavery.”²⁰ Employers can avoid being added to the list by entering into court orders or a Terms of Adjustment in Conduct (TAC) agreement, requiring them to pay back wages and address the conditions that led to the violation.²¹ Employers that fail to comply with court orders or TAC are added to the “Dirty List” and will remain on this list for two years. Violators are only removed from the list if back wages are paid, and slavery-like conditions are remedied. When on the list, employers are banned from obtaining credit from state-owned banks and others, including cattle ranchers, may refuse to work with them.²²

JBS has repeatedly pledged not to do business with suppliers whose land is embargoed or whose names appear on the “Dirty List.”²³ In 2009, JBS agreed with federal prosecutors in the Amazonian region of Pará to “only purchase cattle reared on properties that were compliant with the social and environmental criteria” in a TAC.²⁴ JBS later signed another

¹⁷ “Exclusive: Brazil launches first anti-deforestation raids under Lula bid to protect Amazon,” *Reuters*, Jake Spring, January 22, 2023

¹⁸ “As blazes on embargoed Amazon land surge, links to meat industry emerge,” *Mongabay*, Andrew Wasley and Elisângela Mendonça, July 30, 2021

¹⁹ “As blazes on embargoed Amazon land surge, links to meat industry emerge,” *Mongabay*, Andrew Wasley and Elisângela Mendonça, July 30, 2021

²⁰ See: U.S. Department of Labor, ILAB, Comply Chain, Steps Toward a Worker-Driven Social Compliance System, Step 1: Engage Stakeholders, Example in Action: Government’s Role in Multistakeholder Initiatives: Brazil’s ‘Dirty List’ and the Institute of the National Pact for the Eradication of Slave Labor, see: <https://www.dol.gov/agencies/ilab/comply-chain/steps-to-a-social-compliance-system/step-1-engage-stakeholders/example-in-action-governments-role-in-multistakeholder-initiatives-brazils-dirty-list-and-the-institute-of-the-nation>; Environmental Justice Foundation (2023) *Slave labor in Brazilian cattle ranching industry: The case of the Pantanal and the European Market*, Environmental Justice Foundation: London, United Kingdom

²¹ U.S. Department of Labor, ILAB, Comply Chain, Steps Toward a Worker-Driven Social Compliance System, Step 1: Engage Stakeholders, Example in Action: Government’s Role in Multistakeholder Initiatives: Brazil’s ‘Dirty List’ and the Institute of the National Pact for the Eradication of Slave Labor, see: <https://www.dol.gov/agencies/ilab/comply-chain/steps-to-a-social-compliance-system/step-1-engage-stakeholders/example-in-action-governments-role-in-multistakeholder-initiatives-brazils-dirty-list-and-the-institute-of-the-nation>

²² U.S. Department of Labor, ILAB, Comply Chain, Steps Toward a Worker-Driven Social Compliance System, Step 1: Engage Stakeholders, Example in Action: Government’s Role in Multistakeholder Initiatives: Brazil’s ‘Dirty List’ and the Institute of the National Pact for the Eradication of Slave Labor, see: <https://www.dol.gov/agencies/ilab/comply-chain/steps-to-a-social-compliance-system/step-1-engage-stakeholders/example-in-action-governments-role-in-multistakeholder-initiatives-brazils-dirty-list-and-the-institute-of-the-nation>

²³ See: “Brazilian beef giants agree to moratorium on Amazon deforestation,” *Mongabay*, October 7, 2009; JBS (2022) *JBS Responsible Procurement Policy*, JBS: São Paulo, Brazil

²⁴ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

TAC that expanded the commitment to all other Amazonian states.²⁵ Later that same year in October, JBS and two other meat packers signed another agreement with Greenpeace, the Public Commitment of Livestock²⁶ or Cattle Commitment,²⁷ that limits purchases from property with any type of deforestation, illegalities or that is located in any type of protected area.²⁸

As part of its commitment, JBS maintains a “Responsible Raw Material Procurement Policy” that sets forth its cattle purchasing requirements²⁹ that JBS describes as “strict” and enforced since 2009.³⁰ The “Responsible Purchasing Policy of JBS Friboi” (JBS’s beef business unit in Brazil), as updated on August 30, 2023, stipulates that no cattle will be purchased from farms or suppliers that are involved in any of the following:

- Deforestation in the Amazon biome, with or without authorization, with cut-off date of 07/22/2008;
- Unauthorized deforestation in the other biomes, with cut-off date of 08/01/2019;
- Areas that overlap with Indigenous lands;
- Areas that overlap with Quilombola territories;
- Areas that overlap with Environmental Conservation Units;
- Areas embargoed due to deforestation;
- Slave-like working conditions;
- High-risk crimes;
- Reputational risks to JBS.³¹

The policy is restated plainly in a JBS sustainability slide deck for investors available on its website.³²

²⁵ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

²⁶ BDO (2016) *Third-party audit report to meet undertaking to adopt “Public Commitment of Livestock” as indicated in the “minimum criteria for industrial-scale operations with cattle and beef products in the Amazon Biome”*, BDO: São Paulo, Brazil

²⁷ “JBS recommits to Cattle Agreement in the Amazon,” *Greenpeace*, Jess Miller, December 20, 2012

²⁸ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

²⁹ JBS (2023) *People and Planet: The JBS Commitment to Eliminating Agriculture-Related Deforestation*, JBS: São Paulo, Brazil

³⁰ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³¹ JBS (2023) *Responsible Purchasing Policy of JBS Friboi - Suppliers*, JBS: São Paulo, Brazil

³² JBS (2019) *JBS Sustainability*, JBS: São Paulo, Brazil



Figure 1: JBS Responsible Raw Material Procurement Polic. Source: [JBS investor presentation](#).

The policy does not explicitly address purchasing from indirect suppliers.

In 2020, JBS CEO Gilberto Tomazoni indicated that “[c]urrently, the company does not monitor indirect suppliers and no company does so. But we plan to close this gap using technology,” referring to the development of a blockchain solution to monitor suppliers.³³ On its JBS360 website in 2023, JBS refers to the blockchain solution as its “Transparent Livestock Farming Platform,” that will supplement its Responsible Raw Material Procurement Policy and enable JBS to address “the other links of the supply chain.”³⁴ JBS has repeatedly defended its policies and recognized the need to address deforestation and human rights issues from indirect suppliers,³⁵ but has refused to discuss how many of its cattle come from indirect farms.³⁶ In contrast and for perspective, JBS’s Brazilian competitor, Marfrig, disclosed that in 2019, 53% of its purchases involved indirect suppliers.³⁷ In 2023, JBS CEO Gilberto Tomazoni indicated that the company was using a blockchain technology platform to track cattle suppliers, with 50% of its indirect suppliers currently in the system. He also mentioned that when the system was fully implemented, JBS would be able to monitor 97% of its cattle supply.³⁸

³³ See: “Brazil’s JBS launches fund to foster Amazon preservation,” *Reuters*, Roberto Samora, September 23, 2020; “JBS Makes Global Commitment to Achieve Net-Zero Greenhouse Gas Emissions by 2040,” JBS, press release, March 23, 2021

³⁴ JBS360, Transparent Livestock Farming Platform, see: <https://jbs360.com.br/en/transparent-livestock-farming>

³⁵ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³⁶ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

³⁷ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

³⁸ “The C.E.O. of the World’s Largest Beef Producer Answers Questions about its Environmental Record,” *New York Times Events*, interview by David Gelles, September 24, 2023, see: <https://youtu.be/OF1PdxTptug?si=ss0RNfYp2xWQjLHi>

B. Shareholders

With 48.48% ownership, the “controlling shareholders” of JBS are J&F Investimentos S.A.,³⁹ a Brazilian investment company that “owns and controls companies involved in multiple industries, including the meat and agriculture industry,”⁴⁰ and FIP Formosa, another investment firm. Both entities are wholly owned by the “ultimate controlling shareholders,” Brazilian nationals Joesley Batista and Wesley Batista,⁴¹ also known as the “Batista brothers.” The second-largest shareholder is the Banco Nacional de Desenvolvimento Econômico e Social (BNDES), the state-controlled Brazilian development bank, who after engaging in a series of sales over the last few years⁴² owns 20.81% percent as of March 27, 2024.⁴³ Minority shareholders, including but not limited to Capital Research & Management Co. (World Investors) (3.33% as of December 31, 2023), The Vanguard Group, Inc. (2.3% as of January 31, 2024), Fidelity Management & Research Co. LLC (1.45% as of 31 December 31, 2023, and BlackRock Fund Advisors (1.09% as of January 31, 2024), own the remainder.⁴⁴

JBS has acknowledged that there are conflicts of interest with respect to its shareholders in its March 2024 F-4 filing to the United States Securities and Exchange Commission. Specifically, JBS explained as follows:

“[O]ur ultimate controlling shareholders may have an interest in causing us to pursue transactions that may enhance the value of their equity investments in us, even though such transactions may involve increased risks to us or the holders of our common shares. Furthermore, our ultimate controlling shareholders own, through J&F or other entities, equity investments in other businesses and may have an interest in causing us to pursue transactions that may enhance the value of those other equity investments, even though such transactions may not benefit us. Our ultimate controlling shareholders may also have an interest in pursuing new business opportunities through other companies which they own instead of us. Any of these transactions could result in conflicting interests between us and the other companies in which our ultimate controlling shareholders own. We cannot assure you that we will be able to address these conflicts of interests or others in an impartial manner.

³⁹ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁴⁰ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” The United States Department of Justice, Press release, October 14, 2020

⁴¹ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁴² “Brazil’s BNDES raises \$370 mln in meatpacker JBS shares sale, says executive,” *Reuters*, Rodrigo Viga Gaier, Peter Frontini, Chris Reese, February 16, 2022

⁴³ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁴⁴ Financial data and analytics provider FactSet. Copyright 2024 FactSet. All rights reserved.

There can be no assurance that the future actions or decisions of our direct controlling shareholders and our ultimate controlling shareholders will not impact our company and our prospects in ways that differ from your interests.”⁴⁵

In terms of other interests, as of 2020, J&F Investimentos S.A. (J&F), owns approximately 250 companies in 30 countries, according to the SEC.⁴⁶ According to its own website, aside from JBS, J&F controls Eldorado Brasil, a wood pulp business; Âambar Energia, an energy company; and J&F Mineração, a mining company. In addition, J&F owns two financial institutions, Banco Original, a 100% online bank,⁴⁷ and PicPay, a digital wallet for cryptocurrency and other financial services.⁴⁸

In April 2022, the Batista brothers acquired Vale S.A. (Vale) manganese, iron-ore mines, and logistical operations for US\$1.2 billion,⁴⁹ joining “another sector that’s been at the forefront of environmental and social concerns (. . .)”⁵⁰ Brazilian mining multinational Vale in particular has a history of environmental and social issues. Prior to the Batistas’ acquisition Vale had two serious dam failures: one in 2015, which killed 19 people and impacted 200,000 people in surrounding communities, and another in 2019, which killed 270 people and spilled millions of cubic meters of mining waste into Brazilian waterways, an incident recognized as “the worst industrial environmental disaster” in Brazil’s history.⁵¹ In the same month the Batistas acquired Vale in 2022, the entity was sued by the SEC for allegedly making false and misleading statements about the safety of its dams.⁵² According to the complaint, the 2019 collapse resulted in “immeasurable environmental, social, and economic devastation” when “a toxic sludge of iron manganese, aluminum, copper, and other rare earth minerals” came in “a deluge rushing downhill toward the Paraopeba River” that buried “more than 150 people alive – and killed a total of 270 people” in what the SEC referred to as “one of the worst mining disasters in history.”⁵³ On March 28, 2023, the SEC announced that Vale had agreed to pay US\$56 million to settle the matter.⁵⁴ According to Vale, the payment will be made and “the SEC will not oppose Vale’s motion to dismiss all claims that the Company acted with fraudulent or reckless intent regarding its disclosures.”⁵⁵ In the time that the Batistas have owned Vale’s mines, they have doubled its 2021 production to four million tons

⁴⁵ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁴⁶ U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

⁴⁷ See: J&F Website, see: <https://jfinvest.com.br>; Technisys (2017) Banco Original, *The first one to open 100% digital Accounts using the Smartphone*, Technisys: Miami, FL, United States

⁴⁸ J&F Website, see: <https://jfinvest.com.br>,

⁴⁹ “Meat Billionaires Turn to Mining as Batistas Buy Vale Assets,” *Bloomberg Law*, Felipe Marques, Mariana Durao, April 6, 2022

⁵⁰ “Vale SA’s Assets Purchased by Brazil’s Batista Brothers,” *Mining Engineering*, April 7, 2022

⁵¹ “Vale and the Rise of Securities-Based Climate Litigation,” *Columbia Journal of Transnational Law*, Lydia Wang, March 25, 2023

⁵² See: Securities and Exchange Commission v. Vale, S.A., Civil Action No. 22-cv.2405, United States District Court, Eastern District of New York, filed April 28, 2022; “Vale and the Rise of Securities-Based Climate Litigation,” *Columbia Journal of Transnational Law*, Lydia Wang, March 25, 2023

⁵³ Securities and Exchange Commission v. Vale S.A., Civil Action No. 22-cv.2405, United States District Court, Eastern District of New York, filed April 28, 2022

⁵⁴ “Brazilian Mining Company to Pay \$55.9 million to Settle Charges Related to Misleading Deadly Disclosures Prior to Deadly Dam Collapse,” U.S. Securities and Exchange Commission, press release, March 28, 2023

⁵⁵ “Vale announces agreement with the United States Securities and Exchange Commission,” Vale, Press Release, March 28, 2023

of ore, committed to invest more than US\$1 billion in the company, and indicated an intention to further increase production to 10 million tons by the end of 2024.⁵⁶

More recently, in December 2023, the Batista brothers, via J&F, acquired Fluxus, an oil company in Argentina with plans to expand in Brazil, Bolivia, Venezuela and elsewhere in Latin America.⁵⁷

C. Management

Multiple members of the Batista family have held and still hold management and leadership positions at JBS and related entities.⁵⁸ Joesley Batista has “held multiple positions (. . .) including the roles of CEO and board member of J&F, CEO of JBS from 2006 through 2011, Chairman of the Board of Directors for JBS between 2011 and 2017, Director of JBS USA through 2017, and Director of Pilgrims, a JBS subsidiary, from December 2009 through May 25, 2017.⁵⁹ Wesley Batista has also held multiple positions in J&F entities, including the roles of Director for J&F, CEO of JBS from 2011 to 2017, CEO of JBS USA from 2007 to 2011, board member of JBS and JBS USA until 2017, and Chairman of Pilgrims’ board of directors and compensation committee between December 2009 and June 14, 2017.⁶⁰ In 2018, both Batista brothers were barred from holding management positions related to insider trading allegations in Brazil.⁶¹ Amid the pandemic in 2020, the Batista brothers appealed that ruling and were permitted to return to management positions.⁶²

In March 2024, JBS indicated that the Batista brothers “may serve as members of the board of directors of, or in other senior management positions at, JBS Group companies or affiliates.”⁶³ According to a market monitoring website, Joesley Batista is currently serving as the CEO of J&F Investimentos, and a Director at 17 entities including several JBS related

⁵⁶ “Brazil’s J&F to invest more than \$1 billion in Mining Assets Bought from Vale,” *Reuters*, Roberto Samora and Jonathan Oatis, October 19, 2023

⁵⁷ “Billionaire Batista Brothers Make Debut in Oil with Acquisition,” *BNN Bloomberg*, Dayanne Sousa, December 1, 2023

⁵⁸ See: U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>; U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

⁵⁹ U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

⁶⁰ U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

⁶¹ “CORRECTED-Brazilian appeals court authorizes Joesley Batista to go back to JBS parent J&F,” *Reuters*, Ricardo Brito, Tatiana Bautzer, Franklin Paul, May 26, 2020

⁶² See: “Court clears Batista brothers’ return to JBS parent company,” *Meat+Poultry*, Erica Shaffer, May 28, 2020; U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

⁶³ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

entities.⁶⁴ The same site reports that Wesley Batista is currently the Chairman of JBS Foods S.A., CEO of JBS Foods International and a Director of nine entities, including several JBS related entities.⁶⁵

In addition to the brothers, as of March 2024, relatives of the Batista brothers hold several positions in JBS and related entities including Vice-Chairman and member of the Board of Directors, CEOs of subsidiaries, positions on the Board of Directors of various subsidiaries, President of a subsidiary, and other senior roles including new appointments onto the Board of Pilgrims USA.⁶⁶

JBS has acknowledged that there are conflicts of interest in its management and explicitly stated in a March 2024 F-4 filing to the SEC that it is unable to assure investors that JBS “will be able to address these conflicts of interests or others in an impartial manner” or that decisions or actions of the controlling shareholders “will not impact” the company, prospects and value.⁶⁷

In April 2024, Joesley and Wesley Batista were voted back onto the JBS S.A. Board of Directors by investors at a shareholder meeting in São Paulo on 26 April.⁶⁸ The Batista brothers’ holding company, J&F, controls 48.8% of JBS shares and have 1.08 billion votes out of a total 2.22 billion. The voting figures reveal that approximately one-third of shareholders either abstained from voting or voted to reject return of the Batista’s to the JBS board.⁶⁹

D. Creditors and financiers

JBS has many creditors and financiers. The following is an assessment by Forest and Finance that identifies JBS’s largest creditors from 2019 to 2023:⁷⁰

⁶⁴ MarketScreener, Joesley Mendonça Batista, see: <https://www.marketscreener.com/business-leaders/Joesley-Mendonca-Batista-3722/biography/>

⁶⁵ MarketScreener, Joesley Mendonça Batista, see: <https://www.marketscreener.com/business-leaders/Joesley-Mendonca-Batista-3722/biography/>

⁶⁶ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see: <https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁶⁷ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see: <https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

⁶⁸ “Wesley Batista, Joesley Batista return to JBS board,” *WATT Poultry*, April 29, 2024

⁶⁹ JBS EGM Final Consolidated Voting Map, April 26, 2024, see: <https://api.mziq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/9b1f9e95-a4b6-11f1-391f-c7d974544fe4?origin=1>

⁷⁰ See: “JBS: Climate Chaos and Exploitation in the Amazon,” *Forests and Finance*, December 4, 2023; Mighty Earth (2022) *The Boys from Brazil, How JBS became the world’s largest meat company – and wrecked the climate to do it*, Mighty Earth: Washington, D.C., United States

Largest 10 creditors to JBS' forest-risk beef operations (2019-2023 September, US\$ millions)

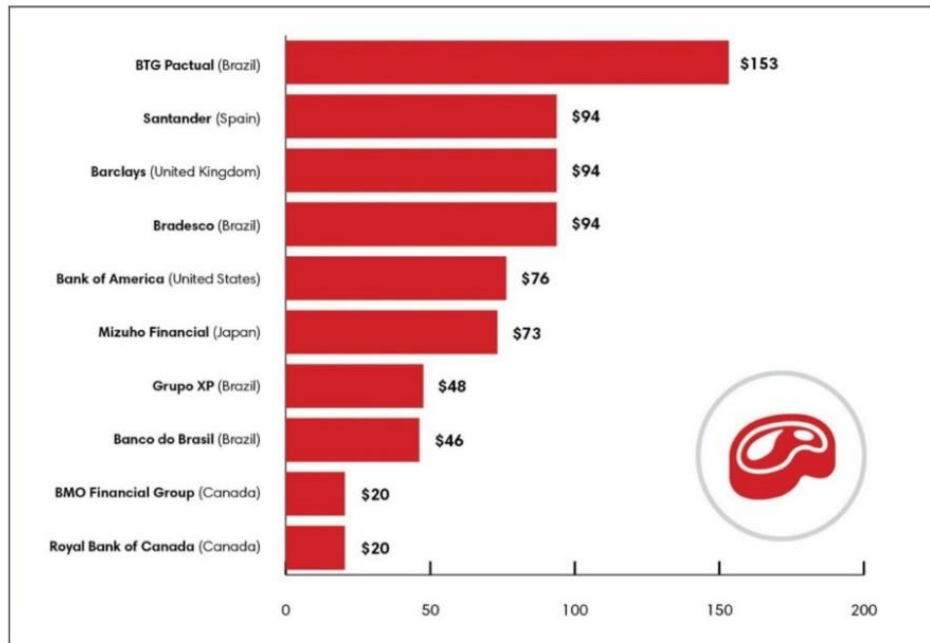


Figure 2: Top 10 creditors to JBS's forest-risk beef operations (2019-2023 September, US\$ millions). Source: [Forest and Finance](#)

JBS's financiers are from all over the world. According to Chain Reaction Research, Barclays, the BNDES, and the Royal Bank of Canada have the most exposure to JBS, collectively exceeding US\$8 billion.⁷¹

⁷¹ Chain Reaction Research (2020) *JBS: Outsized Deforestation in Supply Chain, COVID-19 Pose Fundamental Business Risks*, Chain Reaction Research: Washington, D.C., United States

Investor Parent	Country	Bonds	Loans	Shares	Underwriting	Total
Barclays	United Kingdom	0	3,349	8	920	4,276
BNDES	Brazil	0	0	2,528	0	2,528
Royal Bank of Canada	Canada	45	1,459	1	495	2,000
JPMorgan Chase	United States	185	1,058	8	355	1,606
Rabobank	Netherlands	0	1,266	0	186	1,453
BMO Financial Group	Canada	18	908	6	495	1,428
Farm Credit Services	United States	0	1,268	0	0	1,268
Commercial Finance Group						
Credit Suisse	Switzerland	0	1,212	29	0	1,241
Santander	Spain	0	209	38	962	1,209
Bradesco	Brazil	0	151	71	712	934
Banco do Brasil	Brazil	0	6	41	862	909
BTG Pactual	Brazil	0	0	20	801	822
Truist Financial	United States	0	571	0	186	757
Fidelity Investments	United States	614	0	143	0	757
Bank of America	United States	0	701	8	0	709
US Bancorp	United States	0	501	0	186	688
BlackRock	United States	330	0	336	0	666
Deutsche Bank	Germany	78	173	12	155	418
Wells Fargo	United States	5	384	12	0	401
Voya Financial	United States	43	293	1	0	337
Total		1,319	13,509	3,262	6,316	24,406

Note: Figures in millions of US Dollars. Source: Chain Reaction Research (2020)

Figure 3: Investors' and banks' exposure to JBS and its affiliates in US\$ (millions), Source: Chain Reaction Research (Mighty Earth adaptation)

II. Net Zero commitments

JBS CEO Gilberto Tomazoni acknowledged in 2021 that “[c]limate change is one of the greatest challenges of our time and we must act urgently to combat the negative effects of global warming.”⁷²

A. Net Zero by 2040

In 2021, JBS publicly committed to achieving “Net Zero by 2040” and claimed to be leading the meat industry in this area. JBS set forth its plan in the press release as follows:⁷³

“To accomplish its net-zero goal, the company will adopt several strategies to achieve reductions in emissions, including:

⁷² See: JBS Net Zero 2040, JBS is committing to be Net Zero by 2040, see: <https://web.archive.org/web/20240307205318/https://jbs.com.br/netzero/en/>; “JBS Makes Global Commitment to Achieve Net-Zero Greenhouse Gas Emissions by 2040,” JBS, press release, March 23, 2021

⁷³ “JBS Makes Global Commitment to Achieve Net-Zero Greenhouse Gas Emissions by 2040,” JBS, press release, March 23, 2021

- Reducing direct emissions in its facilities: JBS will reduce its global scopes 1 and 2 emission intensity by at least 30% by 2030 against base year 2019.
- Investing in the future: JBS will invest more than US\$1 billion in incremental capital expenditures over the next decade in emission reduction projects. The company will engage its team members and award funding for projects to its facilities using a panel consisting of company executives, specialists and academics.
- Eliminating deforestation: JBS will eliminate illegal Amazon deforestation from its supply chain—including the suppliers of its suppliers—by 2025, and in other Brazilian biomes by 2030. The company will achieve zero deforestation across its global supply chain by 2035.
- Using 100% renewable electricity in its facilities: JBS will join RE100 and convert to 100% renewable electricity across its global facilities by 2040.
- Fostering innovation: JBS will invest US\$100 million by 2030 in research and development projects to assist producer efforts to strengthen and scale regenerative farming practices, including carbon sequestration and on-farm emission mitigation technologies. This investment will contribute to reducing scope 3 emissions across the value chain, in our efforts toward net zero.
- Ensuring accountability: Across the company, performance against environmental goals, including GHG emission reduction targets, will be part of senior executive compensation considerations.”

As part of this commitment, the company claimed that it will reduce its “direct (scope 1 and 2) and indirect (scope 3) emissions, while offsetting any residual emissions.”⁷⁴ In March 2021, when JBS first announced its commitment to Net Zero by 2040, JBS had not yet calculated the company’s total greenhouse gas emissions.⁷⁵ In its 2020 Sustainability Report, released July 2021,⁷⁶ JBS reported its 2020 total emissions as 6.79 million tons CO₂e.⁷⁷ In comparison, JBS’s greenhouse gas emissions in 2021 were estimated to be 287.9 million tons CO₂e - greater than the annual output of Spain, and its methane emissions alone exceed the combined livestock emissions from France, Germany, Canada and New Zealand.⁷⁸

The Net Zero 2040 promise to “eliminate illegal deforestation from its Brazilian cattle supply chain including the suppliers of its suppliers in the Amazon and other Brazilian biomes by 2025,”⁷⁹ repeats earlier unfulfilled promises from JBS to eliminate deforestation. It is not as broad as the promise JBS originally made with respect to the Amazon in 2009

⁷⁴ JBS (2022) JBS Annual Sustainability Report 2021, JBS: São Paulo, Brazil

⁷⁵ JBS (2022) JBS Annual Sustainability Report 2021, JBS: São Paulo, Brazil

⁷⁶ “JBS USA releases 2020 Sustainability Report,” *Meat and Poultry*, Ryan McCarthy, July 15, 2021

⁷⁷ JBS (2021) Sustainability Report JBS 2020, JBS: São Paulo, Brazil

⁷⁸ Institute for Agriculture and Trade Policy (IATP)/Changing Markets Foundation (2022) Emissions impossible: How emissions from big meat and dairy are heating up the planet, Institute for Agriculture and Trade Policy (IATP)/Changing Markets Foundation: Minneapolis, MN, United States/Utrecht, The Netherlands

⁷⁹ JBS, Net Zero 2040, strategies, see:

<https://web.archive.org/web/20230302164555/https://jbs.com.br/netzero/en/strategies/>

promising no deforestation, illegal or legal, by all of its suppliers, direct and indirect, by 2011.⁸⁰ It is also not as broad as its Responsible Raw Material Procurement Policy commitment since 2009 that indicates no purchases will be made from farms involved in “deforestation in the Amazon biome, with or without authorization, with cut-off date of 07/22/2008” and in “unauthorized deforestation in the other biomes, with cut-off dates of 08/01/2019.” It is also worth noting that on the JBS ESG website the promise related to JBS’s Net Zero commitment is narrower, referring only to “direct and tier 1 indirect suppliers” rather than all direct and indirect suppliers.⁸¹

In May 2022, JBS set forth a more aggressive “action towards 1.5 °C pathway” with respect to deforestation. The new commitment was described by JBS as follows:

- **Amazon:** 2023 target date for no-deforestation for direct suppliers, and 2025 for indirect suppliers (legal and illegal, PRODES 2008)
- **Cerrado:** 2025 target date for no illegal deforestation (PRODES 2020) for direct and indirect suppliers
- **All Brazilian Biomes:** As of January 1, 2026, it will be mandatory for direct suppliers to join the JBS Livestock Transparency Platform and provide information on their indirect suppliers to enable application of JBS socioenvironmental criteria throughout the cattle supply chain. Specific Target Zero Deforestation dates and criteria for other biomes will be set in line with development of the necessary monitoring systems.
- **2030:** Zero deforestation globally. A collective global risk assessment will identify other areas of risk, and companies will develop additional implementation plans as needed to achieve this aim.”⁸²

B. Sustainability-linked bonds

In 2021, JBS issued US\$3.2 billion in Sustainability-Linked Bonds (SLB) based on its Net Zero 2040 plan, claiming to be a leader in sustainability.⁸³ These bonds and the Net Zero 2040 plan were supported by documents, presentations, and claims on JBS’s website and in press releases.⁸⁴ The bonds allowed JBS to secure more favorable lending terms. JBS reported that its Sustainability-Linked Bond Framework “demonstrates its commitment to being a positive force in the fight against climate change and hold itself accountable to its

⁸⁰ “Greenpeace Brazil Suspends Negotiations with Cattle Giant JBS,” *Greenpeace*, Rodrigo Estrada, March 23, 2017

⁸¹ JBS ESG, Our Environment, Responsible Sourcing, see: <https://jbsesg.com/our-environment/responsible-sourcing>

⁸² “JBS brings forward zero deforestation targets as it ramps up action towards 1.5 degrees Celsius pathway,” JBS, press release, November 25, 2023

⁸³ See: “JBS Makes Global Commitment to Achieve Net-Zero Greenhouse Gas Emissions by 2040,” JBS, press release, March 23, 2021; JBS (2021) *JBS Sustainability-Linked Bond Framework*, JBS: São Paulo, Brazil

⁸⁴ See: JBS (2023) *People and Planet: The JBS Commitment to Eliminating Agriculture-Related Deforestation*, JBS: São Paulo, Brazil; JBS (2023) *Sustainability at JBS*, JBS: São Paulo, Brazil; JBS (2023) *Relatório de sustentabilidade JBS 2022*, JBS: São Paulo, Brazil; JBS, JBS Net Zero, see: 2023, <https://ri.jbs.com.br/investidores-esg/sustentabilidade/>

public commitments and to society.”⁸⁵ U.S. investors proceeded to buy these bonds in large quantities, including, but not limited to, institutional investors like Fidelity Investments, Vanguard, Blackrock, JP Morgan, Janus, Prudential, Massachusetts Mutual Life Insurance Co., Allstate, BNY Mellon, Northwestern Mutual Life Insurance, Mutual of Omaha Insurance Co, Hartford Financial Services Group, Ameriprise, New York Life, Voya, Ameritas and Blackstone.⁸⁶ According to JBS, the issuance of a 10.5-year, US\$1 billion bond, was successful and “oversubscribed,” resulting “in the lowest borrowing cost in the company’s history.”⁸⁷

In January 2023, Mighty Earth filed a whistleblower complaint with the SEC calling for an investigation into JBS’s “misleading and fraudulent” net zero-related sustainability-linked bonds that were issued in 2021.⁸⁸ The complaint is the first against sustainability-linked bonds and relies on the official Second Party Opinion on JBS’s sustainability-linked securities that concluded that the bonds were not material to the whole corporate value chain as the KPI selected by JBS does not include scope 3 emissions,⁸⁹ which accounts for an estimated 90% to 97% of the company’s footprint.⁹⁰ Mighty Earth takes the position that “JBS omitted material information in its bond offering and investor presentations about its scope 3 emissions” and that JBS is “heading in the opposite direction when it comes to reaching net zero by 2040.”⁹¹ As of March 2024, the SEC complaint is pending.

C. Net Zero commitments challenged

JBS’s claims related to its commitment to Net Zero by 2040 have been repeatedly challenged and questioned, in addition to Mighty Earth’s whistleblower complaint.⁹² Below are some of the reasons raised to question JBS’s assertions:

- **No plan and misleading advertising on Net Zero by 2040.** On June 20, 2023, the National Advertising Review Board (NARB)—the appellate body of the Better Business Bureau — confirmed an earlier decision by the National Advertising Division (NAD) that found JBS “does not have a formulated and vetted plan at present” and “is in the exploratory stage” of its effort to reach Net Zero by 2040. The decision confirmed the recommendation that JBS discontinue five of its “net zero” claims for being misleading, specifically:

⁸⁵ JBS (2021) *JBS Sustainability-Linked Bond Framework*, JBS: São Paulo, Brazil

⁸⁶ According to Bloomberg data, 2022

⁸⁷ “JBS USA Announces Successful Issuance of Sustainability-Linked Bond,” JBS USA Lux S.A., press release, November 16, 2021

⁸⁸ “Mighty Earth files complaint with US Securities and Exchange Commission against JBS ‘green bonds’,” Mighty Earth, press release, January 18, 2023

⁸⁹ ISS ESG (2021) *Second Party Opinion (SPO) Sustainability Quality of the Issuer and Sustainability-Linked Securities*, JBS S.A. 08 June 2021, ISS ESG: Rockville, MD, United States

⁹⁰ “World’s largest meat company, JBS, increases emissions in five years despite 2040 net zero climate target, continues to greenwash its huge climate footprint,” *IATP*, DeSmog, April 21, 2022

⁹¹ “Mighty Earth files complaint with US Securities and Exchange Commission against JBS ‘green bonds’,” Mighty Earth, press release, January 18, 2023

⁹² See: New Climate Institute/Carbon Market Watch (2022), *Corporate Climate Responsibility Monitor 2022, Assessing the Transparency and Integrity of Companies’ Emission Reduction and Net-Zero Targets*, New Climate Institute/Carbon Market Watch: Berlin, Germany/Brussels, Belgium; “Fact Check: JBS Exaggerates Deforestation Commitment,” *Mighty Earth*, Sarah Lake, October 5, 2020; “Behind the curtain of the JBS net zero pledge,” *IATP*, Ben Lilliston, October 21, 2021

- (1) “JBS is committing to being net zero by 2040”;
- (2) “Global Commitment to Achieve Net-Zero Greenhouse Emissions by 2040”;
- (3) “Bacon, chicken wings and steak with net zero emissions. It’s possible”;
- (4) “Leading change across the food industry and achieving our goal of net zero by 2040 will be a challenge. Anything less is not an option”; and
- (5) “The SBTi recognized the net zero commitment of JBS.”⁹³

The NARB decision recognized that these claims are misleading because they suggest JBS is “in the process of implementing a document plan that has been evaluated and found to have a reasonable expectation of achieving ‘net zero’ by the year 2040.”

- **Falsely claiming SBTi target.** Part of the NAD case involved the JBS claim that that its Net Zero commitment was recognized by the Science Based Target initiative (SBTi). The NAD found this misleading as JBS took only one step in a five-step process required for recognition.⁹⁴
- **SBTi climate commitment struck off from the register.** On March 11, 2024, it was reported the JBS’s commitments to setting a near-term target” and to setting “a net-zero target” had been removed from the Science-Based Targets initiative (SBTi) website.⁹⁵
- **New York Attorney General sues JBS for its climate claims.** On February 28, 2024, the Attorney General of New York Letitia James sued JBS USA Food Company and JBS USA Food Company Holdings alleging deceptive acts or practices and false advertising.⁹⁶ The suit alleges that the two named defendants, along with other JBS related entities, misled New Yorkers with respect to the Net Zero and other climate-related promises made in their marketing materials and others elsewhere because the entities did not have a viable plan to achieve net zero by 2040, had not calculated the majority of its greenhouse gas emissions that accrue along its supply chain, and could not achieve net zero given that at the time the promise was made there was no proven way of achieving net zero given the scale of JBS’s agricultural operations.⁹⁷ The complaint further alleges that following the NAD decision finding JBS’s climate claims “unsubstantiated and misleading” to consumers, JBS did not stop making those claims publicly. The

⁹³ “National Advertising Review Board Recommends JBS Discontinue ‘Net Zero’ Emissions by 2040 Claims,” Better Business Bureau, press release, June 20, 2023

⁹⁴ See: Rainforest Action Network SEC Complaint, submitted on August 17, 2023, see: <https://forestsandfinance.org/wp-content/uploads/2023/08/RAN-2023-SEC-Complaint-Submission-re-JBS-Rainforest-Action-Network-Aug17-2023.pdf>. ; “National Advertising Review Board Recommends JBS Discontinue ‘Net Zero’ Emissions by 2040 Claims,” *Better Business Bureau*, press release, June 20, 2023

⁹⁵ “JBS struck off SBTi climate commitment register,” *Just Food*, Andy Conye, March 11, 2024

⁹⁶ “Attorney General James Sues World’s Largest Beef Producer for Misrepresenting Environmental Impact of Their Products,” Office of the New York State Attorney General, press release, February 28, 2024

⁹⁷ *The People of the State of New York v. JBS USA Food Company and JBS USA Food Company Holdings*, Supreme Court of the State of New York, filed February 28, 2024

suit seeks civil penalties, disgorgement of profits and ill-gotten gains, and a compliance audit.⁹⁸

- **JBS’s latest commitment allows another six years of deforestation, including one more year of illegal deforestation for (1) indirect suppliers in the Amazon and (2) direct and indirect suppliers in the Cerrado.** JBS’s Net Zero promise was strengthened in May 2022, 14 months after its initial commitment, when the company committed to “action towards a 1.5 degrees Celsius pathway.” The latest version of the JBS promise allows it to purchase cattle from (1) indirect suppliers with illegal deforestation in the Amazon biomes until 2025, (2) direct and indirect suppliers with illegal deforestation in the Cerrado until 2025 and (3) globally for illegal and legal deforestation until at least 2030.⁹⁹
- **Commitment to end global deforestation is a moving target.** In JBS’s initial press release in March 2021, the commitment to end deforestation was described as follows:

Eliminating deforestation: JBS will eliminate illegal Amazon deforestation from its supply chain—including the suppliers of its suppliers—by 2025, and in other Brazilian biomes by 2030. The company will achieve zero deforestation across its global supply chain by 2035.¹⁰⁰

In May 2022 JBS set forth a more aggressive “action towards 1.5°C pathway,” describing its new commitment as follows:

- **Amazon:** 2023 target date for no-deforestation for direct suppliers, and 2025 for indirect suppliers (legal and illegal, PRODES 2008)
- **Cerrado:** 2025 target date for no illegal deforestation (PRODES 2020) for direct and indirect suppliers
- **All Brazilian biomes:** As of January 1, 2026, it will be mandatory for direct suppliers to join the JBS Livestock Transparency Platform and provide information on their indirect suppliers to enable application of JBS socio-environmental criteria throughout the cattle supply chain. Specific Target Zero Deforestation dates and criteria for other biomes will be set in line with development of the necessary monitoring systems.
- **2030:** Zero deforestation globally. A collective global risk assessment will identify other areas of risk, and companies will develop additional implementation plans as needed to achieve this aim.¹⁰¹

⁹⁸ The People of the State of New York v. JBS USA Food Company and JBS USA Food Company Holdings, Supreme Court of the State of New York, filed February 28, 2024

⁹⁹ See: “JBS brings forward zero deforestation targets as it ramps up action towards 1.5 °C pathway,” JBS, press release, December 5, 2022; JBS, Sustainability, JBS Global Commitments, see: <https://jbs.com.br/en/sustainability/jbs-global-commitments/>

¹⁰⁰ “JBS Makes Global Commitment to Achieve Net Zero Greenhouse Gas Emissions by 2040,” JBS, press release, March 23, 2021, accessed November 20, 2023

¹⁰¹ “JBS brings forward zero deforestation targets as it ramps up action towards 1.5 degrees Celsius pathway,” JBS, press release, November 25, 2023

On its website, in 2023, JBS uses different language to describe the commitment:

Cattle supply chain free from deforestation in the Amazon (legal and illegal, PRODES 2008), Cerrado (illegal, PRODES 2020) and other Brazilian biomes by 2025 to include suppliers of suppliers. Collective global risk assessment and development of additional implementation plans as needed for global 2030 no-deforestation target.¹⁰²

The JBS website commitment narrows the promise to only its cattle supply chain not its entire supply chain and introduces a caveat as to how it will identify deforestation, namely the use of PRODES, a Brazilian government system that uses remote sensing that has been shown to miss deforestation and is published annually.¹⁰³ In yet another description of JBS’s commitment, the JBS ESG website describes its “Responsible Sourcing” with respect to deforestation as limited, at least in some aspects, to “tier 1 indirect cattle suppliers” and offers no definition for this term in its policy.¹⁰⁴

- **Net Zero commitment has several fundamental problems.** The Institute for Agriculture and Trade Policy (IATP) identified a series of issues with JBS’s Net Zero commitment including the following: (1) lack of an emissions baseline to track progress; (2) lack of third party auditors to calculate emissions; (3) exclusion of emissions from livestock in its emission calculations; (4) recognizing that reducing emissions intensity does not lower output if growing the company outpaces the reductions; (5) planned expansion; (6) the plan does not quantify how much of net zero goal relies on land-based offsets that are weaker in value than actual reduction of emissions; (7) continued deforestation and failure to address intentional use of fire to clear land; and (8) failure to clarify what is meant by “renewable energy.”¹⁰⁵
- **Low transparency and integrity for climate pledges.** The New Climate Institute and Carbon Market Watch, an independent climate watchdog, gave JBS very low scores for transparency and integrity, concluding in 2023, two years after the Net Zero 2040 commitment rollout, that there was no “evidence of any planned deep decarbonization measures” by JBS and that “its interim targets for 2030 would lead to [only] a 3% emission reduction compared to its reported 2021 emissions.”¹⁰⁶
- **Emissions are increasing, not decreasing.** Actual JBS emissions in 2021 were not decreasing towards net zero but were instead growing substantially. IATP

¹⁰² JBS, JBS is committing to be net zero by 2040, see:

<https://web.archive.org/web/20240307205318/https://jbs.com.br/netzero/en/>

¹⁰³ See: JBS, JBS is committing to be net zero by 2040, see:

<https://web.archive.org/web/20240307205318/https://jbs.com.br/netzero/en/https://jbs.com.br/netzero/en/>;

“Study finds Brazil isn’t counting all deforestation in official estimates,” *Mongabay*, Mike Gaworecki, October 19, 2016

¹⁰⁴ JBS ESG, Our Environment, Responsible Sourcing, see: <https://jbsesg.com/our-environment/>.

¹⁰⁵ “Behind the curtain of the JBS net zero pledge,” *IATP*, Ben Lilliston, October 21, 2021

¹⁰⁶ New Climate Institute/Carbon Market Watch (2023), *Corporate Climate Responsibility Monitor 2023, Assessing the Transparency and Integrity of Companies’ Emission Reduction and Net-Zero Targets*, New Climate Institute/Carbon Market Watch: Berlin, Germany/Brussels, Belgium

estimated that JBS's emissions increased from 2016 to 2021 by 17-56%, up to 288 million metric tons of CO2 equivalent, more than Spain's annual emissions.¹⁰⁷

- **Amounts to greenwash.** Moria Birss, Climate and Finance Director at Amazon Watch explained that “[a]fter giving itself an extension on its previous commitment to end Amazon deforestation a decade ago, JBS is now trying to hoodwink investors with a ‘sustainability-linked’ bond that isn’t even tied to emissions from its supply chains. JBS has zero credibility when it comes to forest protection and respect for Indigenous land rights, and investors who truly want to ensure the Amazon remains standing should stay far away from this greenwash.”¹⁰⁸
- **No viable methane emissions plan.** JBS does not have any methane action plan that would align with the Global Methane Pledge, nor does it report its methane emissions, as recommended in the United Nations report on Net Zero Commitments.¹⁰⁹
- **Collective warning of risks to people, planet and investors.** In September 2023, twenty organizations issued a warning to the “global financial community about the significant risk to the climate, people, and investors associated with JBS and its operations.”¹¹⁰ The warning raised a host of issues with respect to investing in JBS including a specific reference to JBS’s Sustainability-Linked Bonds that were tied to its Net Zero 2040 plan, which could potentially create liabilities for shareholders due to claims of fraud.¹¹¹

D. Climate leadership questioned

JBS’s claims related to climate leadership have been repeatedly challenged and questioned, in addition to Mighty Earth’s SEC complaint.¹¹² Below are some of the reasons raised to question JBS’s assertions:

- **Lowest score in deforestation tracker.** According to an assessment by Mighty Earth, JBS scored a 1 out of 100 for deforestation in 2021, lower than any other

¹⁰⁷ Institute for Agriculture and Trade Policy/Changing Markets Foundation (2022) *Emissions impossible: How emissions from big meat and dairy are heating up the planet*, Institute for Agriculture and Trade Policy/Changing Markets Foundation: Minneapolis, MN, United States/Utrecht, The Netherlands

¹⁰⁸ “Brazilian Meat Company JBS Issues Sustainability-linked Bonds,” Forests and Finance Coalition response, June 23, 2021

¹⁰⁹ United Nations’ High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities (2022) *Integrity matters: Net zero commitments by businesses, financial institutions, cities and regions*, United Nations: New York, NY, United States

¹¹⁰ “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

¹¹¹ “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

¹¹² See: New Climate Institute/Carbon Market Watch (2022), *Corporate Climate Responsibility Monitor 2022, Assessing the Transparency and Integrity of Companies’ Emission Reduction and Net-Zero Targets*, New Climate Institute/Carbon Market Watch: Berlin, Germany/Brussels, Belgium; “Fact Check: JBS Exaggerates Deforestation Commitment,” *Mighty Earth*, Sarah Lake, October 5, 2020; “Behind the curtain of the JBS net zero pledge,” *IATP*, Ben Lilliston, October 21, 2021

meat or soy company reviewed. The report found that JBS was linked to 100,711 hectares of forest conversion in Brazil between 2019 and 2021 and that three quarters of this clearance represents possible illegal clearance under Brazilian law.”¹¹³

- **JBS meat plants linked to deforestation.** The Bureau of Investigative Journalism found that between 2017 and 2022 over 800 million trees have been lost in the Amazon related to Brazilian cattle supply chains and that 13 JBS plants were linked to ranches with deforestation, more than double the next worst company, and four times the next worst.¹¹⁴
- **Deforestation rate is three times as much for exports.** A study by Trase, a supply-chain initiative run by the Stockholm Environment Institute and CSO Global Canopy, revealed that JBS’s global beef exports were linked to up to 290 sq km of deforestation per year in Brazil (three times as much as other beef giants in Brazil).¹¹⁵
- **JBS slaughterhouses associated with greatest deforestation.** A Mighty Earth report found that between 2009 and 2023 there were 546,108 hectares of deforestation on farms that supplied JBS and two other large Brazilian slaughterhouses (Marfrig and Minerva) in seven different Brazilian states. The report identified “13 slaughterhouses linked to the farms with the highest levels of deforestation, of which 10 of them are owned by JBS (...)”¹¹⁶
- **Double the emissions of next biggest factory farming emitter.** While JBS claims to be an industry leader in responding to climate change, a study published in March 2023 by World Animal Protection found that JBS’s supply chain emissions represent the equivalent of an additional 14 million cars on the road each year, more than double the emissions of the second-largest emitter in the same category.¹¹⁷
- **Lack of transparency on slaughter numbers.** JBS’s transparency has also been called into question on several occasions including for failing to make public information routinely shared with the SEC up until 2016 related to the number of animals slaughtered and not addressing failings in its supply chain.¹¹⁸ Unlike other meatpackers, JBS also refuses to reveal what proportion of its cattle supply comes from indirect suppliers.¹¹⁹

¹¹³ Mighty Earth, Soy and Cattle Deforestation Tracker, see: <https://mightyearth.org/soy-and-cattle-tracker/>

¹¹⁴ “Over 800 million trees felled to feed appetite for Brazilian beef,” *The Bureau of Investigative Journalism*, Andrew Wasley, Elisângela Mendonça, Youssr Youssef and Rob Soutar, June 2, 2023

¹¹⁵ “Revealed: How the global beef trade is destroying the Amazon,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, Dom Philips, Daniel Camargos, Mie Lainio, André Campos, Diego Junqueira, July 2, 2019

¹¹⁶ “Mighty Earth Reveals Three Meat Giants Linked to Half a Million Hectares of Deforestation in Brazil,” *Mighty Earth*, December 8, 2023

¹¹⁷ “Factory farming climate culprit JBS tops emissions scorecard of shame,” World Animal Protection, press release, March 21, 2023

¹¹⁸ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

¹¹⁹ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

- **Re-examination of “A-” climate score and leadership status in question.** In 2023, CDP, a group that surveys and grades disclosures from corporations on sustainability for investors, acknowledged that the A- grade and climate leadership recognition given to JBS based on the company’s submissions was “too high a score” and that they were carrying out an internal review.¹²⁰ The reassessment was the result of a letter written to CDP by a group of 20 civil society organizations in March 2023 arguing that the CDP rating was too high and that JBS was not a leader in sustainability given it (1) is the single largest greenhouse gas emitter in animal agriculture sector; (2) is the single largest corporate driver of deforestation in Brazil, and perhaps the world; (3) selectively shares information and lacks transparency; (4) provides ambiguous emissions targets and alleged greenwashing; and (5) has no meaningful decarbonization plan.¹²¹
- **JBS methane emissions greater than competitors.** According to the Institute for Agriculture & Trade Policy and Changing Markets Foundation, “JBS’s methane emissions far outpace all other companies’ and exceed the combined livestock methane emissions of France, Germany, Canada and New Zealand.”¹²² JBS’s methane emissions account for “55% of livestock emissions” in the entire United States.¹²³

III. Corruption

JBS, related entities, its ultimate controlling shareholders, and executives have been involved in a series of corruption investigations in Brazil and the United States.

A. Brazilian corruption investigations

Beginning in at least 2016, there has been a series of Brazilian corruption investigations involving JBS and related entities and owners. These corruption investigations span from 2016 to 2021 and include several types of corrupt activity involving health and safety, finance, tax, bribery, price fixing and insider trading, as well as involvement in “Operation Car Wash,” one of the largest corruption investigations in Brazilian history.

- **Operation Sepsis.** In July 2016, Joesley Batista, serving as JBS chairman and member of the Batista family that controls JBS, was identified as a target in a criminal

¹²⁰ “Brazilian meat firm’s A- sustainability rating has campaigners up in arms,” *The Guardian*, Jonathan Watts, March 30, 2023

¹²¹ Letter from Mighty Earth, et. al., to CDP, March 16, 2023, see: <https://www.mightyearth.org/jbs-climate-rating>

¹²² IATP/Changing Markets Foundation (2022) *Emissions impossible: How emissions from big meat and dairy are heating up the planet*, Institute for Agriculture and Trade Policy/Changing Markets Foundation: Minneapolis, MN, United States/Utrecht, The Netherlands

¹²³ IATP/Changing Markets Foundation (2022) *Emissions impossible: How emissions from big meat and dairy are heating up the planet*, Institute for Agriculture and Trade Policy/Changing Markets Foundation: Minneapolis, MN, United States/Utrecht, The Netherlands

investigation into bribes to secure payments from Brazil's government severance fund, a program that protects workers from unjust dismissal.¹²⁴

- **Operation Greenfield.** In September 2016, Brazilian authorities investigated irregularities in pension fund applications at Eldorado, a company owned by J&F and in the pulp business. As part of the investigation Brazilian federal prosecutors entered a deal with Joesley Batista. Later in the investigation the prosecutors claimed Joesley Batista breached the agreement.¹²⁵
- **Operation Bullish.** In May 2017, Brazilian law enforcement investigated potential fraud related to R\$8 billion provided by Brazilian development bank BNDES to JBS. The corruption investigation at the state-owned bank involved several high-level officials and Joesley Batista. The allegation was that bribes were made to bank officials to facilitate financing for J&F intended for international acquisitions.¹²⁶
- **Operation Weak Flesh.** In 2017, JBS and others in the industry were investigated for their involvement in a scheme to bribe slaughterhouse inspectors “to allow the sale of rotten beef, falsified export and other documents, and had deliberately failed to properly inspect meat plants.”¹²⁷ Allegations included the use of chemicals to conceal the rotting meat¹²⁸ and led to a series of beef bans around the world.¹²⁹ In 2017, the United States Department of Agriculture (USDA) banned Brazilian beef imports for health and safety reasons, later lifting the ban in February 2020.¹³⁰
- **Operation Cui Bono (who stand to profit).** In January 2017, Brazilian federal prosecutors opened an investigation into alleged corrupt money transfers from Brazil's state-owned Federal Savings Bank (Caixa Econômica Federal) to companies linked to JBS.¹³¹

¹²⁴ BankTrack/Feedback/Mighty Earth (2023) *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world's most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹²⁵ See: “Brazil probes possible obstruction of state-run pensions fraud case,” *Reuters*, Pedro Fonseca, Ana Mano, Lisa Von Ahn and Matthew Lewis, March 8, 2017; BankTrack/Feedback/Mighty Earth (2023) *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world's most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹²⁶ See: “Ex-BNDES chairman, 6 others charged for corruption in 'Operação Bullish' probe, S&P Global, David Feliba, August 24, 2018; BankTrack/Feedback/Mighty Earth (2023) *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world's most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹²⁷ “JBS: The Brazilian butchers who took over the world,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, Lucy Michaels, Dom Phillips, André Campos, Diego Junqueira, Claire Smyth and Rory Winters, July 2, 2019

¹²⁸ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world's most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹²⁹ “Operation Weak Flesh takes a bite out of Brazil's meat exports,” *Reuters*, Alberto Alerigi and Thais Freitas, March 25, 2017

¹³⁰ “Brazil says US will allow fresh Brazilian beef imports,” *Reuters*, Ana Mano and Jake Spring, February 21, 2020

¹³¹ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world's most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

- **Operation Car Wash.** An ongoing investigation in 2017, Operation Car Wash was “one of Brazil’s largest ever anti-corruption investigations.”¹³² JBS executives approached investigators to offer their cooperation in exchange for a plea deal. JBS executives, including the Batista brothers, were among those who agreed to cooperate. The brothers settled and agreed to pay the largest settlement of its kind, US\$3.2 billion to resolve allegations in this and other related corruption investigations (Operations Sepsis, Greenfield, Bullish, Cui Bono, and Weak Flesh).¹³³

As part of the case, Joesley Batista recorded a conversation with the sitting Brazilian president about the ongoing bribes and in total, JBS executives admitted to bribing 1,829 politicians with more than US\$100 million in bribes.¹³⁴ When news of the investigation and Joesley Batista’s involvement broke, it led to a 9% loss in the Brazilian stock market, the worst drop in nine years, and what is now referred to as “Joesley Day.”¹³⁵

On December 20, 2023, Brazil’s Supreme Court suspended the fine related to the corruption scandals based on submissions from J&F alleging that “prosecutors were biased and had taken “clearly persecutory actions.”¹³⁶ The decision was not public and both the court and JBS declined to comment.¹³⁷

- **Operation Achilles Heel.** In June 2017, Brazilian federal police opened an investigation into alleged insider trading by the Batista brothers and Banco Original, a Brazilian bank owned by J&F, related to the sale of millions of shares of JBS worth US\$44 million in advance of the brothers entering a criminal plea agreement. The brothers were arrested, served six months in jail, and agreed to resign from J&F management positions.¹³⁸ The brothers stepped down but were replaced in September 2017 as their father, Jose Batista Sobrinho, the elderly founder of JBS, returned as

¹³² *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹³³ See: Rainforest Action Network SEC Complaint, submitted on August 17, 2023, see: <https://forestsandfinance.org/wp-content/uploads/2023/08/RAN-2023-SEC-Complaint-Submission-re-JBS-Rainforest-Action-Network-Aug17-2023.pdf>; *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹³⁴ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹³⁵ See: *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States; Rainforest Action Network SEC Complaint, submitted on August 17, 2023, see: <https://forestsandfinance.org/wp-content/uploads/2023/08/RAN-2023-SEC-Complaint-Submission-re-JBS-Rainforest-Action-Network-Aug17-2023.pdf>; Amended Complaint at 8, *J&F Investimentos SA v. Baker & McKenzie LLP et al.*, No. 2018 CA 002569 M (D.C. Super. Ct. filed May 29, 2019).

¹³⁶ “Brazil Supreme Court suspends \$2 billion fine on JBS owners,” *Reuters*, Ricardo Brito, Peter Frontini, Lisa Shumaker, December 20, 2023

¹³⁷ “Brazil Supreme Court suspends \$2 billion fine on JBS owners,” *Reuters*, Ricardo Brito, Peter Frontini, Lisa Shumaker, December 20, 2023

¹³⁸ See: *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States; Greenpeace International (2020) *How JBS is Still Slaughtering the Amazon*, Greenpeace International: Amsterdam, The Netherlands

CEO, leading to criticism from BNDES alleging that it did not remove the family control at issue.¹³⁹

In 2020, the brothers successfully appealed the ruling restricting them from management positions in J&F.¹⁴⁰ The court’s ruling, as described by Greenpeace, found that it was “essential for Brazil’s national economy during the pandemic for the brothers to return to management in order to make decisions that would safeguard production, jobs and tax collection at J&F Investimentos companies, which reportedly supply 25% of Brazil’s food market.”¹⁴¹

In June 2023, the Comissão de Valores Mobiliários (CVM), Brazil’s equivalent of the SEC, acquitted the Batista brothers and related entities of insider trading, finding that they “could not have foreseen approval of their cooperation agreements nor the following media leaks and market impacts to be guilty of insider trading.”¹⁴²

- **Operation Baixo Augusta.** In 2017, the Brazilian tax authority investigated JBS related to allegedly improper tax benefits totaling US\$621 million.¹⁴³
- **Operation Open Door.** In 2018, Brazilian law enforcement opened an investigation looking into an alleged corruption scheme involving the fraudulent issuance of health certificates for a JBS slaughterhouse in the state of Mato Grosso.¹⁴⁴ The investigation expanded to five other Brazilian states involving allegations of US\$1.4 million in bribes JBS paid via subsidiaries to health inspectors.¹⁴⁵
- **Operation Capitu.** In 2018, Brazilian police arrested Joesley Batista for obstruction of an investigation into an alleged bribery scheme involving JBS and the Ministry of Agriculture during President Rouseff’s term.¹⁴⁶
- **Operation Concrete Mud.** In October 2020, Brazilian prosecutors accused the Batista brothers of corruption, money laundering and organized crime related to bribes for tax benefits.¹⁴⁷

¹³⁹ DebtWire (2018) *Shareholder Profile: Batista family fights to stay atop JBS as scandals deepen*, Debtwire: New York, NY, USA

¹⁴⁰ “Batista Brothers Cleared to Return to JBS SA,” *Drovers*, Greg Henderson, May 28, 2020

¹⁴¹ Greenpeace International (2020) *How JBS is Still Slaughtering the Amazon*, Greenpeace International: Amsterdam, The Netherlands

¹⁴² “Batista brothers cleared from insider trading allegations,” *Meat + Poultry*, Rachael Oatman, June 1, 2023

¹⁴³ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹⁴⁴ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹⁴⁵ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹⁴⁶ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹⁴⁷ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

- **Scheme for Undue Tax Benefits.** In March 2021, JBS paid US\$99 million to settle allegations related to a scheme to receive undue tax benefits in the Brazilian state of Mato Grosso.¹⁴⁸

Throughout the proceedings in Brazil as described above, prosecutors called into question the cooperation of the Batista brothers. With respect to Joesley Batista, prosecutors found that he breached a plea agreement,¹⁴⁹ lied during plea negotiations,¹⁵⁰ and obstructed justice.¹⁵¹

JBS has acknowledged that the company is “party to several lawsuits arising in the ordinary course of business” in its March 2024 F-4 filing to the United States Securities and Exchange Commission, and estimated criminal exposure could cost US\$ 513.4 million, alongside the US\$ 3.1 billion it estimates for ongoing civil, tax and labor proceedings, as of December 31, 2023.¹⁵²

B. American corruption investigations

The Brazilian Operation Car Wash investigation (discussed above), which revealed JBS bribing over 1,800 Brazilian officials and politicians, involved activity that occurred in the United States. As a result, the Eastern District of New York opened a federal investigation into J&F’s corrupt activities. The investigation ended in 2020 with J&F Investimentos S.A., the parent company of JBS,¹⁵³ pleading guilty to one count of conspiracy to violate the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) and agreeing to a criminal monetary penalty of US\$256,497,026.¹⁵⁴

As part of the plea, J&F admitted to a nine-year scheme “to bribe corrupt officials in Brazil to obtain financing and other benefits for the company,” that included specifically, “executives at the very highest levels of the company” using “U.S. banks and real estate to pay tens of millions of dollars in bribes to corrupt government officials in Brazil in order to

¹⁴⁸ *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹⁴⁹ See: “Brazil probes possible obstruction of state-run pensions fraud case,” *Reuters*, Pedro Fonseca, Ana Mano, Lisa Von Ahn and Matthew Lewis, March 8, 2017; *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

¹⁵⁰ “The swashbuckling meat tycoons who nearly brought down a government,” *The Guardian*, Dom Phillips, July 2, 2019

¹⁵¹ See: *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world’s most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States; “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” The United States Department of Justice, Press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁵² U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

¹⁵³ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” The United States Department of Justice, press release, October 14, 2020

¹⁵⁴ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020

obtain hundreds of millions of dollars in financing for the company and its affiliates.”¹⁵⁵ As a result, in part, of this corruption, J&F and its subsidiaries were able to obtain sufficient financing to acquire multiple entities.¹⁵⁶

The two “high-level executives” of J&F referred to in the plea agreement are not identified by name but are in fact the Batista brothers, based on their descriptions.¹⁵⁷ The relevant corrupt activities of J&F Investimentos and the Batista brothers were set forth in detail in the plea agreement and included the following:

- **Making over US\$148 million in corrupt payments.** Over the course of the scheme between 2005 and 2014, “more than US\$148 million in corrupt payments (. . .) were promised and made to and for the benefit of high-level Brazilian government officials.” For their part, the Batista brothers discussed and paid bribes, including payments via real estate purchased in New York City. Only half of the assessment amount was paid as J&F was credited US\$128 million, given fines paid for similar conduct in the J&F case in Brazil.¹⁵⁸
- **Use of multiple shell companies and associated bank accounts.** In order “[t]o facilitate the bribery scheme and conceal the true nature of the bribe payments, J&F and its co-conspirators created shell companies, opened bank accounts for the shell companies in the United States, and made payments to those accounts for the intended benefit of foreign officials in Brazil.”¹⁵⁹ As part of the scheme, one of the Batista brothers opened three U.S. bank accounts for shell companies and proceeded to funnel bribe money through these accounts.¹⁶⁰
- **Bribes secured approximately US\$2.4 billion in financing.** The bribes to the BNDES executive ensured that BNDES Brazilian development bank provided US\$2 billion in financing in and around December 2009.¹⁶¹ Following bribes to Caixa Bank, seven loans were made to J&F totaling R\$1,950,000,000 (approximately

¹⁵⁵ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020

¹⁵⁶ JBS, History, see: <https://ri.jbs.com.br/en/jbs/history>

¹⁵⁷ See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁵⁸ See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁵⁹ See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁶⁰ See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁶¹ See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

US\$398 million).¹⁶² Financing was for the benefit of J&F Investimentos as well as its subsidiaries and supported the acquisition of Pilgrim's Pride, a leading meat company in the United States that employed 41,000 people and had facilities in 12 states.¹⁶³

- **High-level officials in Brazil were bribed.** The Brazilian officials involved included three sitting presidents of Brazil and several individuals who could facilitate the financing and expansion of J&F, including but not limited to the following:
 - “A then-high-ranking executive at Banco Nacional de Desenvolvimento Econômico e Social (BNDES), a Brazilian state-owned and state-controlled bank” and JBS shareholder. “In exchange for the bribe payments to this executive, J&F was able to obtain hundreds of millions of dollars in financing from BNDES.”¹⁶⁴
 - “A high-ranking executive of Fundação Petrobras de Seguridade Social (Petros), a Brazilian state-controlled pension fund” to whom “J&F paid bribes worth more than US\$4.6 million to and for the benefit of in exchange for obtaining Petros's approval for a significant merger that benefited J&F.”¹⁶⁵
 - “A high-ranking official in the legislative branch of the Brazilian government” to whom, J&F also paid approximately US\$25 million in bribes to secure hundreds of millions of dollars of financing from Caixa Econômica Federal (Caixa), a Brazilian state-owned and state-controlled bank.¹⁶⁶
- **US\$178 million in value gained from the bribes.** As part of the plea agreement, the U.S. prosecutors and J&F agreed that the company received US\$178 million in value because of the bribes.¹⁶⁷

The same conduct that gave rise to the plea agreement with the U.S. Department of Justice was also considered by the SEC for related charges; see below for further discussion.¹⁶⁸

¹⁶² See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁶³ See: “SEC Charges Brazilian Meat Producers with FCPA Violations,” U.S. Securities and Exchange Commission, press release, October 14, 2020; “Pilgrim's Pride Announces First Phase of Integration with JBS USA,” Pilgrim's Pride, press release, January 5, 2010

¹⁶⁴ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020

¹⁶⁵ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, Press Release, October 14, 2020

¹⁶⁶ “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, Press Release, October 14, 2020

¹⁶⁷ See: “J&F Investimentos S.A. Pleads Guilty and Agrees to Pay Over \$256 Million to Resolve Criminal Foreign Bribery Case,” U.S. Department of Justice, Eastern District of New York, press release, October 14, 2020; “Plea Agreement Cr. No. 20-CR-365 (MKB),” United States District Court, Eastern District of New York, see: <https://www.justice.gov/media/1099286/dl>

¹⁶⁸ U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020

IV. Stock exchange activity

JBS joined the Brazilian São Paulo exchange in 2007, securing the investment of BNDES and then shortly thereafter made a series of acquisitions.¹⁶⁹ At the time, Wesley Batista was chief executive of JBS USA while Joesley Batista was chief executive of JBS in Brazil.¹⁷⁰ Ten years later, when the news broke in Brazil of Joesley Batista's involvement in the Operation Car Wash corruption investigation, the Brazilian stock market dropped 9%, the most significant fall in the market in nine years that is referred to as "Joesley Day" in Brazil.¹⁷¹

A. New York Stock Exchange IPO 2016

Since at least 2016, JBS aspired to be listed on the New York Stock Exchange (NYSE).¹⁷² The first effort was initiated in 2016¹⁷³ and then withdrawn less than a year later in October 2017 following a series of scandals related to food safety and corruption investigations described above.¹⁷⁴

Following the aborted 2016 NYSE listing, the Australian Tax Office (ATO) opened an investigation into alleged tax avoidance allegations against PricewaterhouseCoopers LLP (PwC) Australia, which was retained by JBS for tax and other services related to the initial public offering (IPO).¹⁷⁵ Among other aspects of the investigation, the ATO alleged that PwC included a "relatively inexperienced lawyer" on its high-end tax advice for JBS to "apply a cloak of privilege" when in reality that work was completed by tax advisors.¹⁷⁶ An Australian judge later found that 58% of PwC's privileged claims were not valid¹⁷⁷ and documents in the case suggested that PwC offered its services as legal advice to shield documents from legal discovery.¹⁷⁸

B. 2020 SEC Cease-and-desist agreement

In a matter related to Operation Car Wash and the subsequent Department of Justice plea agreement to corruption, the SEC investigated the activities of J&F, JBS S.A., and the

¹⁶⁹ See: "JBS: The Story Behind the World's Biggest Meat Producer," *Forbes*, Keren Blankfeld, April 21, 2011; Repórter Brasil (2020) *The Money that Feeds the Cattle*, Repórter Brasil: São Paulo, Brazil

¹⁷⁰ "JBS: The Story Behind the World's Biggest Meat Producer," *Forbes*, Keren Blankfeld, April 21, 2011

¹⁷¹ "The swashbuckling meat tycoons who nearly brought down a government," *The Guardian*, Dom Phillips, July 2, 2019

¹⁷² The Batista brothers also sought to have PicPay, another entity they owned traded on the New York Stock Exchange. On April 22, 2021, PicPay filed an F-1 with the SEC, six years after it was acquired by the Batistas. The IPO was funded by Santander Investment Securities Inc., Barclays Capital Inc. and others. See: "PicPay, the Brazilian mobile payments platform, files for an IPO on Nasdaq," *TechCrunch*, Marcella McCarthy, April 22, 2021

¹⁷³ "JBS Shares surge on spin-off plan of international units in U.S.," *Reuters*, Reese Ewing and Alberto Alerigi, December 6, 2016

¹⁷⁴ "Brazil's JBS withdraws IPO of US unit," *Financial Times*, Pan Kwan Yuk, October 16, 2017

¹⁷⁵ "PwC told client it could cut Australian tax by \$70m, court documents in privilege fight show," *The Guardian*, Ben Butler, June 5, 2022

¹⁷⁶ "PwC wrongly claimed legal privilege over work demanded by ATO: court," Hannah Wootton, *Financial Review*, March 25, 2022

¹⁷⁷ "PwC wrongly claimed legal privilege over work demanded by ATO: court," Hannah Wootton, *Financial Review*, March 25, 2022

¹⁷⁸ "PwC told client it could cut Australian tax by \$70m, court documents in privilege fight show," *The Guardian*, Ben Butler, June 5, 2022

Batista Brothers for causing an entity, namely the subsidiary Pilgrim's Pride Corporation, to violate Section 13(b)(2)(A) and (B) and Section 13(b)(5) of the Exchange Act, "which provides that no person shall knowingly circumvent or knowingly fail to implement a system of internal accounting controls or knowingly falsify any book, record or account, and Exchange Act Rule 13b2-1, which prohibits persons from directly or indirectly falsifying or causing to be falsified any book, record, or account" and Exchange Act Rule 13b2-2, "which prohibits persons from making or causing to be made materially false or misleading statements or omissions to an accountant or auditor in connection with an audit, review, or examination of financial statements or in connection with the preparation or filing of documents and reports required to be filed with the Commission."¹⁷⁹ The Batista brothers, JBS, and J&F agreed to a cease-and-desist order and certain facts including the explicit connection between the illegal bribes and their growth and acquisition strategy:

In 2009, the Batistas sought to continue to expand their meat business into the United States through acquisitions of multiple U.S. companies. From 2009 through 2015, the Batistas made illicit payments totaling approximately US\$150 million for the benefit of then Brazil Finance Minister ("Minister") and various political parties and candidates in Brazil at the request and direction of the Minister. The Batistas made the payments in return for the Minister's assistance, among other things, in obtaining and maintaining US\$2 billion in equity financing ("BNDES Investment") from the Brazilian National Development Bank and its affiliate (together "BNDES") to facilitate JBS's acquisition of U.S. issuer Pilgrim's Pride Corporation ("Pilgrims").¹⁸⁰

The SEC explicitly identified the Batista brothers by name and described in detail additional aspects of the corruption scheme, including that the Batista brothers themselves:

- Knowingly caused Pilgrim's Pride books, records, and accounts to be inaccurate;
- Signed the Form 10-Ks containing false statements on behalf of Pilgrims Pride in their capacities as directors;
- Withheld information from company and independent auditors;¹⁸¹
- Demonstrated a "profound failure to exercise good corporate governance; and engaged in brazen misconduct."¹⁸²

The SEC considered, as part of the Batista brothers' remediation, that they resigned from board and management positions at J&F Investimentos, JBS, and JBS USA.¹⁸³ Ultimately,

¹⁷⁹ U.S. Securities and Exchange Commission, "Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order," October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

¹⁸⁰ U.S. Securities and Exchange Commission, "Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order," October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

¹⁸¹ U.S. Securities and Exchange Commission, "Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order," October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

¹⁸² "SEC Charges Brazilian Meat Producers with FCPA Violations," U.S. Securities and Exchange Commission, press release, October 14, 2020

¹⁸³ U.S. Securities and Exchange Commission, "Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order," October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>

the SEC settled and JBS agreed to disgorgement of US\$26,866,565 while the Batista brothers agreed to pay civil penalty fines of US\$550,000 each.¹⁸⁴

C. 2023-24 Dual listing in Brazil and the New York Stock Exchange

In 2023, JBS renewed its efforts to be listed on the NYSE via a dual listing in Brazil and the United States under JBS N.V., a new Dutch parent company.¹⁸⁵ JBS filed with the SEC on July 12, 2023, for the dual listing and proposed an IPO registration,¹⁸⁶ according to JBS management, “to bring its multiples closer to peers” in terms of valuation gap, and to “seek a broader investor base for access to cheaper capital,” and improve its governance standards.¹⁸⁷ JBS also indicated that the listing would facilitate growth and diversification.¹⁸⁸ Analysis by Chain Reaction Research further suggested that listing in the United States would allow JBS to “unlock shareholder value from a business model that relies primarily on USD transactions but that reports its finances in Brazilian Real.”¹⁸⁹ Under the terms of the proposed dual listing the Batista family would emerge with more than 85% of voting rights, a major increase on their 48% voting entitlement as of March 2024.¹⁹⁰

On August 9, 2023, less than a month after JBS filed its proposed NYSE listing and IPO, Mighty Earth submitted a request to the SEC to call attention to its whistleblower complaint filed on January 18, 2023, and related to JBS’s fraudulent activities with respect to its Sustainability-Linked Bonds and to request (1) aggressive pursuit of the whistleblower complaint, (2) an investigation of additional concerns set forth in its August 9th letter; and (3) delivery of a “publicly transparent investigation warranted by the evidence set forth.”¹⁹¹

Mighty Earth’s letter to the SEC sets forth a series of concerns and evidence, in addition to reiterating the ones set forth in its January 2023 whistleblower complaint described in Section II. B of this document. The additional arguments for not approving the IPO registration on the NYSE include: (1) depreciating minority shareholder rights; (2) Batista family gaining up to 90.5% shareholder voting power; (3) multiple jurisdictions for regulators, shareholders and investors to navigate; (4) misleading statements about

¹⁸⁴ U.S. Securities and Exchange Commission, “Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21 C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order,” October 14, 2020, see: <https://www.sec.gov/files/litigation/admin/2020/34-90170.pdf>.

¹⁸⁵ See: “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et al., briefing, September 2023; U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS S.A. No. 333-272099, July 12, 2023, see:

https://www.sec.gov/Archives/edgar/data/1450123/000121390023056592/ff42023a1_jbssa.htm

¹⁸⁶ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS S.A. No. 333-272099, July 12, 2023, see:

https://www.sec.gov/Archives/edgar/data/1450123/000121390023056592/ff42023a1_jbssa.htm

¹⁸⁷ “Brazil’s JBS reboots plans to list in New York, shares jump 8%,” *Reuters*, Ana Mano and Roberto Samora, July 12, 2023

¹⁸⁸ “JBS to Pursue Dual Listing in Brazil and US to Deliver Value to Shareholders,” JBS, press release, July 12, 2023

¹⁸⁹ Chain Reaction Research (2020) *JBS: Outsized Deforestation in Supply Chain, COVID-19 Pose Fundamental Business Risks*, Chain Reaction Research: Washington, D.C., United States

¹⁹⁰ See: “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et al., briefing, September 2023; U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

¹⁹¹ Letter from Mighty Earth to the U.S. Securities and Exchange Commission, August 9, 2023, see: <https://www.mightyearth.org/wp-content/uploads/Mighty-Earth-SEC-JBS-IPO-Submission.pdf>

deforestation; (5) evidence of human and labor violations in Brazil and the United States; (6) criminal activity across JBS companies and the Batista family; (7) portrayal of the meat industry as a growth sector; and (8) exclusion of legal and regulatory impact of recent regulations in the proposal.¹⁹² Complaints to the SEC were also filed by the Rainforest Action Network,¹⁹³ who made similar arguments, and World Animal Protection¹⁹⁴ who highlighted the connection between production of animal feed for JBS cattle with deforestation in the Cerrado savanna, a threatened biome in Brazil.

In addition to expressing concern to the SEC, Mighty Earth and 19 other civil society organizations wrote a “collective warning of risks to people, planet and investors” concerning the proposed JBS S.A. dual listing.¹⁹⁵ The briefing asserts that “investors have a fiduciary responsibility to consider the potential regulatory, litigation, reputational, ethical, and market-based risks of investing in a firm significantly implicated in and exposed to climate change, deforestation, biodiversity loss, corruption scandals and human rights abuses, whether as a parent company or through its network of subsidiaries.”¹⁹⁶ The briefing explains that the “vast ecological impact of their business model exceeds our planetary boundaries and relies on continued sourcing from known high-risk regions and sectors with insufficient controls to prevent harm – including human rights abuses and material risk to investors.”¹⁹⁷ To support their position, the briefing addresses, in some detail, five categories of risk related to the dual listing:

- (1) Major governance risks: the listing will deliver the Batista family near absolute control of JBS;
- (2) Regulatory arbitrage and opaque structure;
- (3) Declining market access;
- (4) Legal and regulatory risks; and
- (5) Reputational risks.¹⁹⁸

The signatories included the following organizations: Global Witness, Changing Markets Foundation, Rainforest Action Network, Environmental Justice Foundation, Feedback, World Animal Protection, Associação Indígena Tato’a, Mighty Earth, Milieudefensie, BankTrack, Friends of the Earth U.S., Greenpeace, Oxfam Novib, Eerlijke Geldwijzer, EIA, SOMO, Centre for Research on Multinationals, Envol Vert, Society for Threatened Species, Rainforest Relief, and AidEnvironment.¹⁹⁹

¹⁹² Letter from Mighty Earth to the U.S. Securities and Exchange Commission, August 9, 2023, see: <https://www.mightyearth.org/wp-content/uploads/Mighty-Earth-SEC-JBS-IPO-Submission.pdf>.

¹⁹³ Rainforest Action Network SEC Complaint, filed on August 17, 2023, see: <https://forestsandfinance.org/wp-content/uploads/2023/08/RAN-2023-SEC-Complaint-Submission-re-JBS-Rainforest-Action-Network-Aug17-2023.pdf>.

¹⁹⁴ “Environmental activists pressure US regulators to halt JBS listing,” *Reuters*, Ana Mano and Tom Polansek, August 23, 2023

¹⁹⁵ : “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

¹⁹⁶ : “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

¹⁹⁷ : “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

¹⁹⁸ : “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

¹⁹⁹ : “JBS S.A. Dual Listing: A collective warning of risks to people, planet and investors,” Mighty Earth, et. al., briefing, September 2023

On December 22, 2023, a cross-party group of UK Parliamentarians wrote to SEC Chairperson Gensler to express “grave concerns” regarding JBS’s proposed IPO.²⁰⁰ The letter warned that granting JBS access to U.S. capital markets “bolsters the company’s ability to expand its global operations, leading to a surge in deforestation and environmental degradation.”²⁰¹

On January 11, 2024, a bipartisan group of 15 senators sent a letter to the SEC urging them “to protect the integrity of U.S. capital markets and the legal rights of U.S. investors by exposing the risks that JBS poses to potential shareholders, including its track record of corruption, human rights abuses, monopolization of the meatpacking market, as well as environmental risks.”²⁰² The letter cited JBS’s involvement in criminal activity; recognized that “[d]ozens of journalistic and NGO reports have shown that JBS is linked to more destruction of forests and other ecosystems than any other company in Brazil”; observed that although the company claimed to be addressing deforestation, it has failed to do so even with the knowledge of issues in their supply chain; indicating that the structure of the offering with JBS as a “foreign private issuer” could make JBS exempt from U.S. laws; and observing that JBS is the subject of Mighty Earth’s whistleblower complaint concerning sustainability-linked bonds. The senators indicated that allowing JBS to register “would subject U.S. investors to risk from a company with a history of blatant, systemic corruption, and further entrench its monopoly power and embolden its monopoly practices.”²⁰³

In late February 2024, JBS indicated that its listing on the NYSE would be delayed likely until the second half of 2024 to allow more investors time to vote on the proposal.²⁰⁴

V. Slavery

The beef industry generally, and JBS specifically, face significant issues in their direct and indirect cattle supply chains with respect to environmental and social concerns. In its SEC Form F-4, JBS acknowledges these challenges in the meat industry: “The raising of cattle and other livestock are at times associated with deforestation, invasion of indigenous lands and protected areas and other environmental and human rights concerns.”²⁰⁵

²⁰⁰ Letter from the House of Commons to Chair Gary Gensler, U.S. Securities and Exchange Commission, December 22, 2023, see: <https://subscriber.politicopro.com/eenews/f/eenews/?id=0000018d-21f8-d7e3-a9dd-37f92e380000>

²⁰¹ Letter from the House of Commons to Chair Gary Gensler, U.S. Securities and Exchange Commission, December 22, 2023, see: <https://subscriber.politicopro.com/eenews/f/eenews/?id=0000018d-21f8-d7e3-a9dd-37f92e380000>

²⁰² Letter from the United States Senate, Senator Booker, et. al., to Chair Gary Gensler, U.S. Securities and Exchange Commission, January 11, 2024, see: <https://www.booker.senate.gov/imo/media/doc/JBS%20SEC%20Letter.pdf>

²⁰³ Letter from the United States Senate, Senator Booker, et. al., to Chair Gary Gensler, U.S. Securities and Exchange Commission, January 11, 2024, see: <https://www.booker.senate.gov/imo/media/doc/JBS%20SEC%20Letter.pdf>

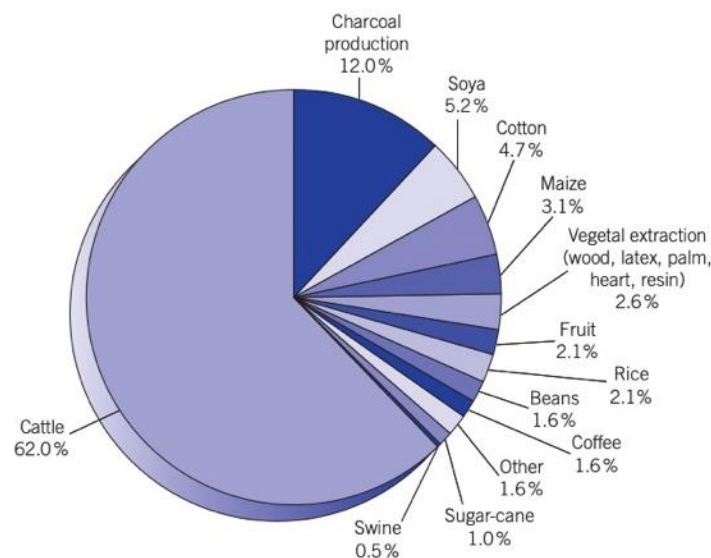
²⁰⁴ “JBS Expects US Listing to Be Delayed as It Lets More Shareholders Vote on Deal,” *Bloomberg*, Gerson Freitas Jr., February 22, 2024

²⁰⁵ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see: <https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

A. Slavery in Brazil

The Brazilian government first publicly acknowledged the issue of slave labor in Brazil in 1995.²⁰⁶ Slave labor in Brazil is defined as “forced labor, exhaustive work hours, degrading conditions, and/or debt bondage.” It can be punished administratively, civilly, and criminally and violates labor and crimes against humanity laws.²⁰⁷

The existence of slave labor in the Brazilian cattle industry is well documented.²⁰⁸ The International Labor Office explained that “when it comes to the cattle farming business [in Brazil], the livestock is given much better treatment than that received by the laborers.”²⁰⁹ In 2007, the International Labor Organization assessed that the cattle industry in Brazil was responsible for 62% of slave labor in the country, five times as much as the next responsible industry:²¹⁰



Source: Study on the Slave Labour Production Chain, ILO-Brazil and Repórter Brasil, 2007

Figure 4: Productive activities of estates found employing workers kept in conditions analogous to slavery in Brazil. Source: [International Labour Office](#)

This slave labor occurs on ranches in both the direct and indirect supply chain of cattle companies like JBS.

In 2003, to more effectively combat the issue, the Brazilian Ministry of Labour created a public “Dirty List” of employers facing charges of slave labor.²¹¹ Two years after the Dirty List was created, over 400 Brazilian and multinational companies committed to eliminating slave labor from supply chains via a National Agreement to Eradicate Slave

²⁰⁶ International Labor Office (2009) *Fighting Forced Labor: The Example of Brazil*, International Labor Office: Geneva, Switzerland

²⁰⁷ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²⁰⁸ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²⁰⁹ International Labor Office (2009) *Fighting Forced Labor: The Example of Brazil*, International Labor Office: Geneva, Switzerland

²¹⁰ International Labor Office (2009) *Fighting Forced Labor: The Example of Brazil*, International Labor Office: Geneva, Switzerland

²¹¹ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

Labour.²¹² As part of the agreement, the companies agreed to monitor the Dirty List and not to do business with entities included on the list.²¹³ This commitment, on its face, only commits entities to eliminate slave labor in their direct supply chain and if listed by the government on the Dirty List. Other limitations of the pledge have been noted, namely that it is only retrospective and that it is entirely dependent on the government conducting labor inspections. When the government cuts back on inspections, fewer entities are added to the list, but that does not correlate with less slave labor, just fewer official findings.²¹⁴

B. Commitments related to slavery

JBS signed the National Agreement to Eradicate Slave Labour in 2005 and “claims to have monitoring mechanisms inspected by independent auditors in order to block suppliers” who have been added to the list.²¹⁵ In 2012, JBS was suspended from the Agreement for “failing to comply with duties related to monitoring its supply chain.”²¹⁶ It was reinstated in 2014.²¹⁷

JBS has publicly described its obligation to avoid slave labor as excluding entities on the Dirty List from its supply chain,²¹⁸ in other words, a retrospective approach for its direct supply chain. In the 18 years that followed its original pledge, JBS has repeated it publicly at least seven times over multiple years (2009, 2011, 2012, 2020, and 2022), explaining in 2021 in the midst of losing business related to deforestation concerns that JBS has “zero-tolerance approach” to forced labor.²¹⁹ Along with Brazil’s other large meatpacking companies, JBS renewed its promise to solve the traceability problem related to slave labor in its supply chain, announcing that it would have “an indirect monitoring system in place by 2025.”²²⁰

JBS’s ethical code “forbids the use of child or forced labor and will not tolerate the exploitation of children, physical punishment, any form of abuse or slavery” in recognition that “[a]ll are equal before the law and, without distinction, are entitled to equal protection against any discrimination or incitement that violates the Universal Declaration of Human Rights.”²²¹

C. Links to slave and child labor

Despite repeated commitments and statements, JBS has been accused of purchasing cattle directly from farms in Brazil using slave labor on numerous occasions. Not all the farms were on the Dirty List. In addition, there have been investigations related to suppliers

²¹² See: “National Agreement to Eradicate Slave Labour In Brazil,” May 19, 2005, see:

<https://respect.international/wp-content/uploads/2017/12/The-National-Pact-To-Eradicate-Slave-Labor.pdf>;

Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹³ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹⁴ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹⁵ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹⁶ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹⁷ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹⁸ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²¹⁹ “Brazilian Beef Farms ‘Used Workers Kept in Conditions Similar to Slavery’,” *The Guardian*, Dom Phillips, January 6, 2021

²²⁰ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²²¹ JBS (2022) *Code of Conduct and Ethics*, JBS: São Paulo, Brazil

involved in the use of slave or child labor at slaughterhouses, including in the United States. Below is a collection of instances where JBS was connected to slave and child labor:

1. Slavery on direct suppliers farms

- In 2006, the government raided a farm in Santa Terezinha (MT), and then in 2008 convicted Daniel de Paiva Abreu of keeping nine workers in slave-like conditions. JBS bought 889 head of cattle from this farmer between June and October 2008.²²²
- From 2013 to 2016, JBS bought cattle from a farm under investigation in the state of Pará for employees in conditions of modern slavery, “workers forced to live in circumstances described as inhumane and degrading, with inadequate shelter, toilets and drinking water; the prosecutors believed the workers were in debt bondage, with illegal deductions being taken from their wages as payment for food and equipment.” JBS said that the farm did not appear on the Dirty List, and it had stopped sourcing immediately upon learning of the allegations.²²³
- In May and August 2017, the Morro Esperança farm in the municipality of Corumbá, also known as the Santo Antonio farm, sold cattle to a JBS facility. The farm was inspected in April and May 2017. As part of the inspection, five workers were rescued from conditions that included living in an “improvised shack on a dirt floor,” failure to provide beds, bathroom or toilet facility, no space to prepare or store food, no provision of personal protective equipment. The farm was not added to the Dirty List until March 2019.²²⁴
- From January 2019 to April 2020, two JBS meatpacking plants, on seven occasions received cattle from the Rodoserv IV farm in Naviraí, Mato Grosso do Sul. Four of these transactions occurred after the inspection of the farm, which began in October 2019. Six workers were rescued from degrading conditions that included provision of water from a stream that was unfiltered and shared with cattle, insufficient accommodations, toilets, bathrooms, and kitchens, and no provision of any personal protective equipment.²²⁵ Rodoserv IV farm was listed on the Dirty List from April 2021 to October 2021. In total, between January 2017 and March 2023, there were 48 deliveries of cattle to JBS slaughterhouses from the farm.²²⁶
- From October 2019 to January 2020, two JBS meatpacking plants received cattle from Copacabana farm in Aquidauana, Mato Grosso do Sul. The farm was added to the Dirty List in 2020 following the rescue of nine workers from an area inhabited by members of the Terena indigenous people. Inspectors found multiple violations including that employees did not have formal contracts; were not provided protective

²²² Greenpeace US (2009) *Slaughtering the Amazon*, Greenpeace US: Washington, D.C., United States

²²³ Greenpeace International (2020) *How JBS is Still Slaughtering the Amazon*, Greenpeace International: Amsterdam, The Netherlands

²²⁴ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil's Meat Industry*, Repórter Brasil: São Paulo, Brazil

²²⁵ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil's Meat Industry*, Repórter Brasil: São Paulo, Brazil

²²⁶ Environmental Justice Foundation (2023) *Slave labor in Brazilian cattle ranching industry: The case of the Pantanal and the European Market*, Environmental Justice Foundation: London, United Kingdom

gear, accommodation, restrooms of any kind, a place to have meals, or access to clean water for drinking or bathing.²²⁷

- Between 2013 and 2016, JBS purchased £2 million (approximately US\$2.5 million) in cattle from a farm in Pará where prosecutors had claimed slave-like conditions were experienced by workers including “no shelter and no toilets or drinking water.” The workers served in debt bondage and were debited for safety equipment and food. JBS claims that it stopped purchasing from the farm after the government raids.²²⁸
- From 2018 to 2022, according to an investigation by Repórter Brasil, Greenpeace Brazil and Unearthed, almost 9,000 cattle were sold to JBS from farms owned by Chaules Pozzebon or his family in the Amazon – an allegation JBS admitted. In addition to deforestation allegations, the investigation noted that Pozzebon is currently serving a 99-year sentence for leading a criminal gang and was separately convicted of using slave labor. JBS claimed it was a “victim of collusion between slaughterhouse employees and Agropecuária Rio Preto Eireli, to register cattle purchases through Fazenda Akira, a farm owned by Chaules Pozzebon that is ‘clean,’ without deforestation or slave labour violations.”²²⁹
- In 2022, Global Witness reported that JBS had repeatedly purchased cattle from the Seronni family of ranchers in the state of Pará who were alleged to have used slave labor (as well as deforestation and land grabbing). Global Witness reported that “[w]hen the allegations of slave labour were put to JBS (. . .) it claimed to have blocked the ranchers. Yet [Global Witness found that JBS] continued buying cattle from their farms through third parties (. . .).”²³⁰
- In July 2023, a Brazilian workers union filed a complaint against JBS on behalf of at least 76 people, some of whom are members of the Terena Indigenous community in Mato Grosso do Sul state, who were working in conditions “analogous to slavery” as third-party chicken catchers.²³¹
- Between January 2017 and October 2023, the Environmental Justice Foundation (EJF) found “direct trade links between JBS slaughterhouses and 11 of the 31 entities in Mato Grosso and Mato Grosso do Sul that appeared on the Dirty List (. . .).” According to records from JBS’s traceability portal reviewed by EJF, JBS received cattle from four of these properties while they were on the Dirty List.²³² Below is a summary of their findings:

²²⁷ Environmental Justice Foundation (2023) *Slave labor in Brazilian cattle ranching industry: The case of the Pantanal and the European Market*, Environmental Justice Foundation: London, United Kingdom

²²⁸ “Waitrose pulls its corned beef off shelves after Guardian reveals alleged slavery links,” *The Guardian*, Anna Sophie Gross and Ana Aranha, June 6, 2017

²²⁹ “JBS admits to buying almost 9,000 cattle from ‘one of Brazil’s biggest deforesters’,” *Unearthed*, Naira Hofmeister, André Campos, Isabel Harari and Lucy Jordan, November 11, 2022

²³⁰ Global Witness (2022) *Cash Cow, How beef giant JBS’s links to Amazon deforestation and human rights abuses is aided by UK, EU and US financiers, importers and supermarkets*, Global Witness: London, United Kingdom

²³¹ “Brazilian Union Sues JBS Over Alleged Exploitation of Chicken Workers,” *Reuters*, Ana Mano, July 14, 2023

²³² Environmental Justice Foundation (2023) *Slave labor in Brazilian cattle ranching industry: The case of the Pantanal and the European Market*, Environmental Justice Foundation: London, United Kingdom

Table 2: Overview of apparent deliveries to JBS slaughterhouses from cattle ranches in Mato Grosso (MT) and Mato Grosso do Sul (MS) listed on the Dirty List between 2017 and 2023¹¹²

Property	Owner	State	Dates present on Dirty List	Trade with JBS	Trade with JBS whilst on Dirty List ¹¹³
Fazendas Taiaçu, Roma and São Lucas	Luiz Alfredo Feresin de Abreu	MT	March 2017 - November 2017	• 58 deliveries from Fazendas Roma and São Lucas to JBS's slaughterhouse in Confresa between 2017 and 2022. • 1 delivery took place whilst the property was on the Dirty List.	Yes
Fazenda Bragatti III	Natal Bragatti	MT	October 2017 - October 2019	• 8 deliveries between October 2017 and April 2018 to JBS Alta Floresta, all of which took place whilst this property was on the Dirty List.	Yes
Fazendas Flexas and Piuva	Antônio Carlos Zanin	MS	October 2017 - October 2019	• 3 deliveries from Fazenda Flexas to JBS Pedra Preta in June and July 2019 whilst the property was on the Dirty List.	Yes
Fazenda Marabá	Rosario Alem Eireli [service provider]	MS	October 2022 - present	• 150 deliveries to JBS's slaughterhouses in Anastácio, Campo Grande, Naviraí, and Ponta Porã between January 2017 and August 2023. • 28 deliveries since the property's addition to the Dirty List.	Yes
Fazendas 3P and Beira Rio	Paulo Roberto Cândido	MT	December 2019 - April 2021	• 32 deliveries from Fazenda Beira Rio to JBS's slaughterhouse in Colíder between March 2017 and March 2023.	No
Fazenda Copacabana	Fernanda Taques Thomazelli	MS	April 2020 - April 2022	• 15 deliveries to JBS's slaughterhouses in Anastácio and Campo Grande between January 2017 and January 2020.	No
Fazenda Rodoserv IV	Amarildo Martini	MS	April 2021 - October 2021	• 48 deliveries of cattle to JBS slaughterhouses in Anastácio, Campo Grande, Naviraí and Ponta Porã between January 2017 and March 2023.	No
Fazenda Canadá	Lourdes Coelho Barbosa	MS	October 2022 - present	• 165 deliveries to JBS slaughterhouses in Anastácio, Campo Grande, Naviraí and Ponta Porã between January 2017 and July 2022.	No
Fazenda Três Poderes	Rosângela da Rosa	MT	April 2023 - present	• 1 delivery to JBS Colíder in February 2018.	No
Fazenda Lontra Cinco	Fernando Carlos Barboza	MS	October 2023 - present	• 73 deliveries to JBS slaughterhouses in Anastácio, Campo Grande, Naviraí and Ponta Porã between January 2017 and August 2023.	No
Fazenda Estância Marupá	Mercídio Panosso	MT	October 2023 - present	• 67 deliveries to JBS slaughterhouses in Alta Floresta and Colíder between January 2017 and September 2023.	No

Figure 5: Overview of apparent deliveries to JBS slaughterhouses from cattle ranches in Mato Grosso (MT) and Mato Grosso do Sul (MS) listed on the Dirty List between 2017 and 2023. Source: [Environmental Justice Foundation](#)

D. Child labor in JBS slaughterhouses in the United States

- In August 2022, the United States Department of Labor initiated an investigation into a JBS subcontractor, Packers Sanitation Services Inc. (PSSI), for hiring at least 100 children ranging in age from 13 to 17 for sanitation work in overnight shifts at three JBS plants. There were several injuries and one 13-year-old who suffered caustic chemical burns and other injuries. PSSI was issued a US\$1.5-million dollar fine and JBS dropped PSSI as a supplier.²³³

²³³ “More than 100 Children Illegally Employed in Hazardous Jobs, Federal Investigation Finds; Food Sanitation Contractor Pays \$1.5M in Penalties,” United States Department of Labor, press release, February 17, 2023

- In January 2023, the United States Department of Homeland Security confirmed an investigation into a potential human-trafficking ring providing child labor for work in multiple slaughterhouses in the United States related to services by PSSI. Several JBS USA facilities were involved in the investigation, which examined allegations of using child labor in dangerous overnight cleaning services.²³⁴ JBS had not been identified as a target of the investigation, but the alleged activity took place in multiple JBS facilities over a period of time.²³⁵

E. Brazilian government audit findings

- Brazilian Federal Prosecutors from Mato Grosso found that JBS purchased 3,476 head of cattle from May 2010 to May 2011 from 32 farms that violated environmental regulations, protected areas, and labor laws related to slave-like conditions.²³⁶

F. Response to slavery allegations

In response to the allegations in the 2017 to 2020 timeframe, JBS issued a statement:

[A]ll the commitments assumed by JBS for the purchase of cattle from its direct suppliers are based on permanently checking the Dirty List of Slave Labor, which is the government’s official base for identifying these cases. Producers are blocked as soon as their CPFs [taxpayers’ numbers] appear on the list, and that was done in the cases mentioned.²³⁷

JBS’s response clearly suggests that the company maintains that it does not have any responsibility for eliminating slave labor from its supply chain until the government identifies it and that it does not even address eliminating slavery from indirect suppliers. According to Amnesty International, “[a] considerable part of the cases of slavery in livestock does not occur on farms that supply animals directly for slaughter, but rather on those doing breeding and rearing, which transfer cattle to be fattened at other properties.”²³⁸

Consistent with its stated approach that JBS waits for official findings on the Dirty List, JBS explicitly said in 2021 that it could not act before final adjudication. After banning two farms on Brazil’s Dirty List, JBS commented in response to an inquiry from Repórter Brasil that it was, as Reuters described it, unfair for Repórter Brasil to expect JBS to stop working with any ranches facing allegations of slave labor from inspectors, as those companies also had the right to defend their actions, saying specifically that it “would be a disregard for that producer’s right of defense before public authorities.”²³⁹

²³⁴ “The federal government is investigating the possible human trafficking of children who cleaned slaughterhouses,” Laura Strickler and Julia Ainsley, *NBC News*, January 19, 2023

²³⁵ “The federal government is investigating the possible human trafficking of children who cleaned slaughterhouses,” Laura Strickler and Julia Ainsley, *NBC News*, January 19, 2023

²³⁶ “JBS breaks pact on cattle buying – prosecutor,” *Reuters*, October 18, 2011

²³⁷ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²³⁸ Repórter Brasil (2021) *Monitor #8: Slave Labor in Brazil’s Meat Industry*, Repórter Brasil: São Paulo, Brazil

²³⁹ “JBS among meat firms linked to slavery-tainted ranches in Brazil,” *Reuters*, Fabio Teixeira, January 5, 2021

VI. Deforestation

The beef industry generally, and JBS specifically, face significant issues in their direct and indirect cattle supply chains with respect to environmental and social concerns. In its SEC Form F-4, JBS acknowledges these challenges in the meat industry: “The raising of cattle and other livestock are at times associated with deforestation, invasion of Indigenous lands and protected areas and other environmental and human rights concerns.”²⁴⁰

A. Deforestation in Brazil

Commercial agriculture is the biggest driver of deforestation globally, causing almost 60% of tropical forest loss between 2013 and 2019.²⁴¹ To quantify that, in 2022 alone tropical primary forest loss totaled 4.1 million hectares, the equivalent of losing 11 soccer fields of forest per minute.²⁴² The degradation and loss of tropical forests are major contributors to climate change, biodiversity loss, and human exposure to zoonotic diseases such as those caused by Ebola and coronaviruses. They are linked to land invasions and violence against Indigenous peoples, local communities, and environmental defenders, while feeding corruption and organized crime.²⁴³

Even more troubling is that at least 61 percent of agro-conversion in the tropics was illegal, contrary to applicable laws and regulations, perhaps even as high as 94% if all unaudited agro-conversion is included.²⁴⁴ Illegal deforestation is particularly troubling as it often involves corruption, human rights violations, and transnational criminal organizations.²⁴⁵

The level of deforestation in Brazil in particular is significant. In 2022, Brazil’s area of primary forest loss far exceeded any other country.

²⁴⁰ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see:

<https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

²⁴¹ Forest Trends (2021) *Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture*, Forest Trends: Washington, D.C., United States

²⁴² “Forest Pulse: The Latest on the World’s Forests,” *World Resource Institute*, Mikaela Weisse, Elizabeth Goldman, Sarah Carter, 2023, see: <https://research.wri.org/gfr/latest-analysis-deforestation-trends>

²⁴³ Environmental Investigation Agency (2021) *Briefing: How U.S. imports of agricultural commodities contribute to deforestation and why it matters*, Environmental Investigation Agency: Washington, D.C., United States

²⁴⁴ Forest Trends (2021) *Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture*, Forest Trends: Washington, D.C., United States

²⁴⁵ Forest Trends (2021) *Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture*, Forest Trends: Washington, D.C., United States

Top countries for primary forest loss by area in 2022

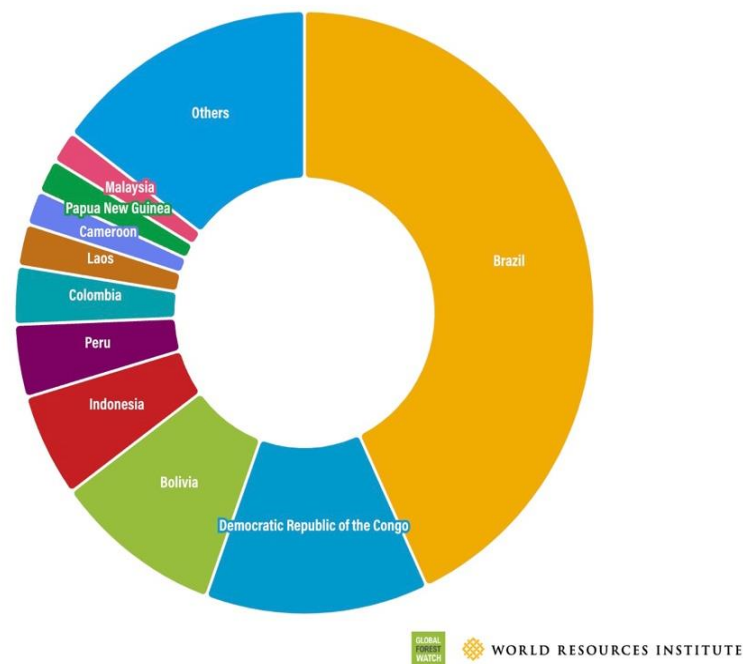


Figure 6: Top countries for primary forest loss by area in 2022. Source: [World Resources Institute](#)

In the Brazilian Amazon, “as much as 90 percent of all forest that’s been cleared (. . .) is now covered in pasture, most of which is for cattle.”²⁴⁶ Experts estimate that we may have already lost 15% of the original territory of the Amazon and some scientists have predicted that “if deforestation continues past 20 percent, the recovery of the forest will be irreversible.”²⁴⁷ In 2023, experts estimated that one fifth of the Amazon has already lost the ability to perform the critical function of being a carbon sink and now acts as a net carbon emitter.²⁴⁸

Forest loss is also occurring in biomes adjacent to the tropical forests, such as the Cerrado, a savanna covering 20% of Brazil (roughly an area the size of Mexico), where protection for the forest is significantly less than the Amazon.²⁴⁹ In Brazil, “[l]and-use regulations require that 80% of private land in the Amazon Rainforest must be preserved by law. In the Cerrado biome, however, private landowners are legally permitted to clear between 65 and 80% of native vegetation on their land with the correct environmental leasing.”²⁵⁰

²⁴⁶ See: “Some people launder money. Other people launder cattle,” *Vox*, Benji Jones, October 19, 2022; “JBS admits to buying almost 9,000 cattle from ‘one of Brazil’s biggest deforesters’,” *Unearthed*, Nara Hofmeister, André Campos, Isabel Harari and Lucy Jordan, November 11, 2022

²⁴⁷ “Protecting the Amazon Requires Changing Policy and Eating Less Beef,” *Columbia Climate School*, Cayte Bosler, August 17, 2019

²⁴⁸ See: “Biden’s Executive Order on Forests Can Help Stop Wall Street from Financing Deforestation,” *Global Witness*, Alexandra Reid and Alexandria Robins, May 24, 2022; “Deforestation is a Crime,” *The Atlantic*, Robinson Meyer, The Atlantic, October 11, 2021

²⁴⁹ “A tale of two biomes as deforestation surges in Cerrado but wanes in Amazon,” *Mongabay*, Sarah Brown, August 23, 2023

²⁵⁰ “A tale of two biomes as deforestation surges in Cerrado but wanes in Amazon,” *Mongabay*, Sarah Brown, August 23, 2023

The Cerrado has “lost half its native vegetation cover to deforestation at a rate around three times greater than that of the Amazon.”²⁵¹ Losses in this biome are significant as it contains five percent of the world’s biodiversity, and a third of Brazil’s biodiversity.²⁵² It is also a “critical freshwater source for the entire continent” as it contains the head of 12 major river basins within its area, and is home to numerous Indigenous people.²⁵³ In the Cerrado, deforestation related to animal agriculture is driven both by cattle ranching and the cultivation of soybeans, primarily used as feed for livestock.²⁵⁴

In Brazil, according to Forest Trends, “virtually all (at least 95 percent) operations that cleared forests in Brazil are not in compliance with the laws governing forest clearing” and in 2019, “forest clearing was 99.5 percent illegal.”²⁵⁵ In the Brazilian cattle industry, an estimated 95% of beef and leather products are “at risk of having been produced on illegal agro-converted land.”²⁵⁶ One study found that since 2017, more than 800 million trees have been lost in the Amazon rainforest alone to produce beef.²⁵⁷ As explained in 2019 by Brazilian prosecutor Daniel Azeredo, one of the main persons responsible for the 2009 TAC agreements between prosecutors and members of the cattle industry, “[n]o company today that buys from the Amazon can say that it does not have cattle coming from deforestation (. . .).”²⁵⁸

In 2020, the level of Brazilian deforestation was recognized by the financial sector. Twenty-nine financial institutions, managing more than US\$3.7 trillion in assets, wrote a letter to the Brazilian government demanding that Brazil address the increasing deforestation and warning that a failure to do so could result in less access to financial services and uncertain investment conditions.²⁵⁹ The institutions explained that they “have a fiduciary duty to act in the best long-term interests of our beneficiaries, we recognize the crucial role that tropical forests play in tackling climate change, protecting biodiversity and ensuring ecosystem services.”²⁶⁰ Despite continuing rates of deforestation in Brazil, only a handful of institutions have exited Brazilian investments. In 2022, it was reported that Robeco and Nordea divested, and Nordea, in particular, sold a US\$40 million stake in JBS.²⁶¹ Norges Bank has JBS on its exclusion list for ‘gross corruption’ and pension company Aviva

²⁵¹ “A tale of two biomes as deforestation surges in Cerrado but wanes in Amazon,” *Mongabay*, Sarah Brown, Mongabay

²⁵² Mighty Earth (2023) *Saving the Cerrado: Why Bunge, supermarkets and governments must act fast*, Mighty Earth: Washington, D.C., United States

²⁵³ “What’s at stake is the life of every being: Saving the Brazilian Cerrado,” *Mongabay*, Peter Yeung, Mongabay, February 11, 2021

²⁵⁴ Mighty Earth (2023) *Saving the Cerrado: Why Bunge, supermarkets and governments must act fast*, Mighty Earth: Washington, D.C., United States

²⁵⁵ Forest Trends (2021) *Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture*, Forest Trends: Washington, D.C., United States

²⁵⁶ Forest Trends (2021) *Illicit Harvest, Complicit Goods: The State of Illegal Deforestation for Agriculture*, Forest Trends: Washington, D.C., United States

²⁵⁷ “More than 800 m Amazon trees felled in six years to meet beef demand,” *The Guardian*, Andrew Wasley, Elisângela Mendonça, Youssr Youssef and Robert Soutar, June 2, 2023

²⁵⁸ “Deforestation-free beef stymied by Brazil’s unequal supply chain,” *Mongabay*, Naira Hofmeister, May 5, 2021

²⁵⁹ See: “Investors warn Brazil to stop Amazon destruction,” *Financial Times*, Bryan Harris, June 22, 2020; “Global Investors demand to meet Brazil diplomats over deforestation,” *Reuters*, Jake Spring, June 23, 2020

²⁶⁰ “Investors warn Brazil to stop Amazon destruction,” *Financial Times*, Bryan Harris, June 22, 2020

²⁶¹ “Investment funds don’t leave Brazil despite Amazon deforestation, FT writes,” *Re Soil Foundation*, Matteo Cavallito, January 7, 2022

considers JBS a ‘red rated issuer,’ which prevents further active investment in the company.²⁶²

B. JBS Brazilian deforestation and related commitments

JBS operates 37 cattle production units across Brazil, and as the biggest beef company in the world has an outsized presence in the Brazilian cattle industry.²⁶³ The majority of these facilities are situated in states that encompass the Amazon rainforest and/or Cerrado savanna.

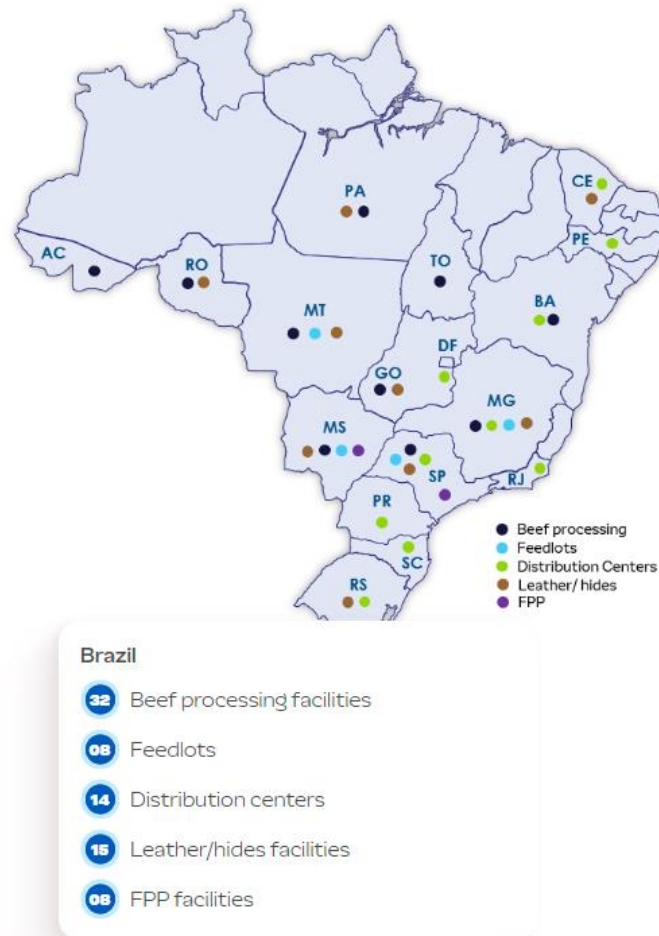


Figure 7: JBS products units across Brazil. Source: [JBS Investor Relations Website](https://www.jbs.com.br/en/ir)

In January 2022, following an investigation, Bloomberg called JBS “one of the biggest drivers of Amazon deforestation.”²⁶⁴ Chain Reaction Research estimated that since 2008 the footprint for JBS deforestation in its direct supply chain may be as high as 200,000 hectares and in its indirect supply chain, 1.5 million hectares.²⁶⁵ Trase, a data platform that provides transparency in supply chains to track deforestation, found that JBS is “responsible

²⁶² Feedback (2024) *Still Butchering the Planet: The big-name financiers bankrolling livestock corporations and climate change - 2024 update*, Feedback: London, United Kingdom

²⁶³ JBS, Business Unit, see: <https://ri.jbs.com.br/en/jbs/business-unit/>

²⁶⁴ See: “How Big Beef Is Fueling the Amazon’s Destruction,” *Bloomberg*, Jessica Brice, January 21, 2022; “Tracing the Trail of Amazon Deforestation,” *The New York Times*, Sarah Bahr, November 29, 2021

²⁶⁵ Chain Reaction Research (2020) *JBS: Outsized Deforestation in Supply Chain, COVID-19 Pose Fundamental Business Risks*, Chain Reaction Research: Washington, D.C., United States

for destroying between 28,000 and 32,000 hectares of forest per year [just] to export meat.”²⁶⁶

In 2022, Imazon, a Brazilian research institution that promotes conservation and sustainable development in the Amazon, analyzed risk to deforestation from cattle farming and found that JBS’s risk of deforestation is increasing while the next biggest meatpacker, Marfrig, decreased its risk.²⁶⁷ Imazon explained that “despite maintaining the same number of plants between 2016 and 2022, [JBS’] risk increased by 97% due to increased risk factors in these areas” and that its “total risk increased by 149% in the same period due to increased deforestation.”²⁶⁸

JBS officials have made various claims related to deforestation, including broad promises that it “takes an unequivocal zero deforestation approach,”²⁶⁹ and is “committed to eradicating deforestation.”²⁷⁰ The company claims that it “has always been at the forefront of industry initiatives to combat so-called ‘cattle laundering’” and “does not purchase cattle from farms involved in irregularities.”²⁷¹ Cattle laundering is a practice where cattle are transferred from a “dirty” farm, involved in deforestation or other illegalities, and then moved to a “clean” farm to sell to a slaughterhouse. The cattle from clean farms appear to purchasers to be free of deforestation and other potential irregularities. The clean farm is the direct supplier to the slaughterhouse and the dirty farm is an indirect supplier in this example. Laundering can occur between two or more farms.²⁷²

As early as 2009, JBS made commitments to end deforestation, one with the Federal Public Prosecutor’s Office in the Brazilian state of Pará and the other with Greenpeace in which JBS agreed not to purchase cattle from farms that: i) are involved with deforestation in the Amazon after 2009; ii) are embargoed by environmental authorities; iii) subject workers to slave-like conditions; iv) are located on Indigenous lands or environmentally protected areas; and v) are involved in rural violence or agrarian conflict.²⁷³ Several other Brazilian states, including Mato Grosso, Acre, Rondônia and Amazonas created similar agreements.²⁷⁴

As a follow up to these 2009 commitments JBS instituted a “Responsible Raw Material Procurement Policy” in the same year, a policy updated as recently as August 2023, entitled “Responsible Purchasing Policy of JBS Friboi – Suppliers” and posted on JBS’s

²⁶⁶ “Even after a 25-million-real fine, JBS still sources livestock from Amazon-deforesting companies,”

Repórter Brasil, Daniel Camargos and André Campos, October 16, 2019

²⁶⁷ Imazon (2023) *The beef supply chain continues to contribute to deforestation in the Amazon*, Imazon: Belém, Brazil

²⁶⁸ Imazon (2023) *The beef supply chain continues to contribute to deforestation in the Amazon*, Imazon: Belém, Brazil

²⁶⁹ “Brazilian Meat Giant Trucked Cattle from Deforested Amazon Ranch,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, André Campos, Piero Locatelli and Dom Phillips, July 27, 2020

²⁷⁰ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

²⁷¹ “Brazilian Meat Giant Trucked Cattle from Deforested Amazon Ranch,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, André Campos, Piero Locatelli and Dom Phillips, July 27, 2020

²⁷² “Cattle Laundering in Brazil, How Illegal Meat Ends Up in Europe,” *France 24*, Jan Onoszko, Fanny Lothaire and Perrine Juan, October 6, 2023

²⁷³ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

²⁷⁴ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

website.²⁷⁵ With respect to deforestation, the policy states that JBS does not purchase from farms involved in “Deforestation in the Amazon biome, with or without authorization, with cut-off date of 07/22/2008; Unauthorized deforestation in the other biomes, with cut-off dates of 08/01/2019; Areas that overlap with Environmental Conservation Units; and Areas embargoed due to deforestation.”²⁷⁶

In the context of JBS’s 2021 promise to be Net Zero by 2040, JBS committed to eliminating “illegal deforestation from our Brazilian cattle supply chain including the suppliers of our suppliers—in the Amazon and other Brazilian biomes by 2025.”²⁷⁷ Per a sustainability presentation for investors, JBS “guarantee[s] responsible raw material sourcing” by deploying a “modern social and environmental monitoring system” that uses “satellite imagery, geo-referenced farm data and information from government agencies to analyze in daily-basis (sic) over 90,000 cattle suppliers in Brazil.”²⁷⁸ JBS claims it identifies and blocks suppliers not in compliance with these criteria and has made in excess of 9,000 of such blocks as of June 2020.²⁷⁹

JBS has made a series of commitments related to deforestation in addition to those in 2009 and 2021, some covering the Amazon, others covering broader areas; some addressing indirect suppliers, others just direct suppliers; and some committing to eliminating all deforestation, and others just illegal deforestation. At least five of these commitments were in response to investigations and/or to avoid prosecution:

- 2009 – Eliminate all deforestation, direct and indirect in the Amazon by 2011
- 2009 – Purchase only from ranches that conform to environmental and social requirements
- 2009 – Adoption of a Responsible Procurement Policy concerning Environmental and Social (E&S) requirements
- 2011 – Eliminate illegal deforestation in the Amazon
- 2012–Repeat the commitment from 2009 to eliminate all deforestation, direct and indirect, in the Amazon
- 2021 – Eliminate illegal deforestation in the Amazon and elsewhere by 2025 and globally by 2030
- 2022 – No tolerance for deforestation, legal or illegal
- 2022 – Commit to stop deforestation (in 3-8 years)

Despite these varying JBS commitments over the last 14 years, JBS has been repeatedly called out for purchasing cattle from deforested land, directly and indirectly. For example, during a United States Senate Committee on Finance hearing held June 22, 2023, U.S. Senator Ron Wyden accused JBS of “turning a blind eye as parts of its supply chain burn down the Amazon, push the world toward climate catastrophe, and undercut American

²⁷⁵ See: Amnesty International (2020) *From Forest to Farmland — Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom; JBS (2023) *Responsible Purchasing Policy of JBS Friboi—Suppliers*, JBS: São Paulo, Brazil

²⁷⁶ JBS (2023) *Responsible Purchasing Policy of JBS Friboi - Suppliers*, JBS: São Paulo, Brazil

²⁷⁷ JBS Net Zero 2040, see:

<https://web.archive.org/web/20230302164555/https://jbs.com.br/netzero/en/strategies/>

²⁷⁸ JBS (2019) *JBS Sustainability*, JBS: São Paulo, Brazil

²⁷⁹ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

ranchers who play by the rules on international trade.” He explained that “[g]oing back years, JBS has made promises it would clean up its act when it came to deforestation. Most recently, JBS said it would eliminate cattle involved in deforestation from supply chains by 2025. The reality is JBS is nowhere near meeting this commitment. Not even JBS’s direct suppliers are totally clean.”²⁸⁰ In fact, JBS has yet to deliver on its promise to end all deforestation, legal and illegal, from direct and indirect suppliers that it first said would be done by 2011.

This Statement of Facts does not address deforestation associated with crops, such as soy and corn, used for animal feed. JBS is one of the largest buyers of grains for the production of animal feed and is linked to deforestation and conversion driven by soy and corn expansion in the Brazilian Amazon and Cerrado.²⁸¹

C. JBS Links to deforestation

There have been numerous claims of JBS buying directly from ranches that deforested, from both government and civil service sources. The instances of government findings and JBS admissions are summarized below.

GOVERNMENT FINDINGS					
#	TIMEFRAME	SOURCE	FINDING	JBS RESPONSE	SUPPLY CHAIN
1 ²⁸²	May 2010 – May 2011	Public Prosecutor’s Office, State of Mato Grosso	JBS accused of violating sustainable livestock agreement involving illegal cattle in protected areas and using slave labor, specifically that between May 2010 and May 2011, JBS bought 3,476 head of cattle in violation of the agreement.	JBS issued a statement saying it “vigorously denies the company participated in the practices mentioned by the public office” and took issue with the specific findings.	Direct only
2 ²⁸³	2013-2016	Report from IBAMA	Brazil’s environmental agency, IBAMA, suspended two JBS meatpacking plants for purchasing 49,438 cattle from deforested land either directly or via cattle laundering; fined JBS US\$7.7 million; per Reuters agency said JBS “for years knowing bought cattle that were raised on illegally deforested land” and turned “a blind eye to regulations meant to protect the Amazon rainforest”; IBAMA executive manager in Marabá said “they knew what they were doing;” 84% of cattle from deforested lands were bought by JBS.	JBS denied purchasing cattle from IBAMA blacklist, appealed, and won an injunction to allow continued purchasing of cattle.	Direct and indirect

²⁸⁰ “Wyden Hearing Statement on Cattle Supply Chains, Amazon Deforestation,” The United States Senate Committee on Finance Chairman Ron Wyden, D-Oregon, press release, June 22, 2023

²⁸¹ See: Repórter Brasil (2022) *Forest turned into Animal Feed*, Repórter Brasil: São Paulo, Brazil; “Meat giant JBS linked to illegal deforestation and theft of indigenous land in Brazil,” PR Newswire, World Animal Protection press release, October 3, 2023

²⁸² See: “JBS S.A.: JBS denies Public Prosecutor’s accusations of breach of agreements,” JBS S.A, press release, October 20, 2011; “JBS SA denies using illegally raised cattle,” *Meat+Poultry*, October 21, 2011

²⁸³ See: “Brazil’s JBS accused of violating Amazon rainforest protection laws,” *Reuters*, Anthony Boadle, April 2, 2017; “Risk Factor: deforestation,” *Greenpeace International*, 2020

3 ²⁸⁴	2016	Brazilian federal prosecutors in Pará	JBS responsible for 57% of all cattle from illegally deforested areas in 2016, 19%, over 118,000 cattle purchased from direct suppliers in the Amazon in breach of TAC; JBS was one of the worst performing meatpackers in 2016.	JBS hired auditors in 2016, 2017 and 2018 for direct suppliers that found 99%+ compliance with relevant laws; JBS claimed the results were from “discrepancies” with the use of different methodologies.	Direct
4 ²⁸⁵	2019	Brazilian federal prosecutors in Pará	8.3% of cattle purchases from direct suppliers in Pará state were irregular, including for deforestation.	JBS claimed the results were from “discrepancies” with the use of different methodologies.	Direct
5 ²⁸⁶	2017	IBAMA	JBS fined US\$7 million for purchase by two JBS plants of 49,000 cattle from embargoed areas in the state of Pará.	When asked by journalists about issues, JBS pointed to its own independent audit in 2018 finding no irregularities.	Direct and indirect
6 ²⁸⁷	2018	Brazilian federal prosecutors in Pará	19% of JBS purchases were from irregular ranches.		Direct
7 ²⁸⁸	January 2018 - June 2019	Brazilian federal prosecutors in Pará	JBS bought 301,000 cattle from ranches with irregularities representing 32% of their purchases, nearly a third, and the highest level of noncompliance among signatories to TAC.		Direct
8 ²⁸⁹	2018	Brazilian federal prosecutors in Pará	8% of JBS cattle purchases were irregular.		Direct
9 ²⁹⁰	July 2019- June 2020	Brazilian federal prosecutors in Pará	Nearly 17% of JBS cattle purchases in Pará from ranches with irregularities totaling some 93,734 cattle.	JBS said purchases were made when it had “imprecise criteria for ranchers” and that the problem had been addressed.	Direct
10 ²⁹¹	2019-2020	Brazilian federal prosecutors in Pará	From mid-2019 to mid-2020 more than one in six cows, nearly 94,000 cattle, were not compliant with E&S commitments, mostly because of deforestation.		Direct

²⁸⁴ See: “JBS urged to improve ‘indirect’ supply chain monitoring,” *Earthsight*, March 2, 2020; Chain Reaction Research (2018) *Cattle-driven Deforestation: A Major Risk to Brazilian Retailers*, Chain Reaction Research: Washington, D.C., United States

²⁸⁵ Aidenvironment (2022) *Opportunities and gaps for traceability of supply chains linked to the EU market: Cocoa, oil palm, cattle, and soy products*, Aidenvironment: Amsterdam, The Netherlands

²⁸⁶ “Investors drop Brazil meat giant JBS,” *The Guardian*, Dom Phillips, July 28, 2020; “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

²⁸⁷ “Brazil audit finds 32% of JBS cattle in Amazon state from ‘irregular farms,” *Reuters*, Ana Mano, October 7, 2021

²⁸⁸ See: “Brazil audit finds 32% of JBS cattle in Amazon state from ‘irregular farms,” *Reuters*, Ana Mano, October 7, 2021; “Brazil audit finds 17% of cattle bought by JBS came from ‘irregular’ ranches,” *Reuters*, Ana Mano, December 15, 2022; “Apresentação dos Resultados do 3º Ciclo de Auditorias do TAC da Pecuária - Pará,” Ministério Público Federal, October 7, 2021

²⁸⁹ “Brazil audit finds 32% of JBS cattle in Amazon state from ‘irregular farms,” *Reuters*, Ana Mano, October 7, 2021

²⁹⁰ “Brazil audit finds 32% of JBS cattle in Amazon state from ‘irregular farms,” *Reuters*, Ana Mano, October 7, 2021

²⁹¹ “JBS: Climate Chaos and Exploitation in the Amazon,” *Forests and Finance*, December 4, 2023

11 ²⁹²	2019-2020	Brazilian federal prosecutors in Pará	16.7% of JBS cattle purchases in 2021 from irregular farms in the Amazon.		Direct
12 ²⁹³	2021	Brazilian federal prosecutors from Pará, Mato Grosso, Rondônia and Acre	The first year of combined TAC audits found JBS cattle purchases included 6% of direct purchases from irregular ranches.	JBS indicated it was “pleased with the progress” and that its “goal is to achieve 100% compliance.”	Direct

Civil society organizations (CSOs) have also documented several instances of JBS being linked to deforestation from 2015 to 2023. The instances of CSOs findings are summarized below.

CIVIL SOCIETY ORGANIZATION INVESTIGATIONS					
#	TIMEFRAME	SOURCE	ISSUE	RESPONSE	SUPPLY CHAIN
1 ²⁹⁴	Prior to 2009	Greenpeace	From January to August 2008, Greenpeace identified almost 13,000 cattle from eight farms involved in deforestation in western Mato Grosso and over 18,000 cattle from five farms involved in deforestation in eastern Mato Grosso.	JBS entered the Public Commitment on Cattle Ranching (CPP) – an agreement with Greenpeace and the TAC with Brazilian federal prosecutors.	Direct
2 ²⁹⁵	2009-2023	Mighty Earth and AidEnvironment	An analysis found 546,108 hectares of deforestation identified in 12,474 farms in Brazil, between 2009 and 2023. The deforestation was linked to 36 slaughterhouses, and 27 of these were operated by JBS.	JBS did not respond to questions from Mighty Earth.	Direct and indirect
3 ²⁹⁶	2015	Repórter Brasil	JBS bought hundreds of cattle from a ranch in the state of Mato Grosso connected to the “largest deforester” in the Amazon, Ezequiel Antônio Castanha.	JBS dropped the supplier based on information provided by Repórter Brasil.	Direct
4 ²⁹⁷	2017	Global Witness and Imazon	JBS purchased cattle from 177 different ranches with illegal deforestation in the state of Pará.	JBS replied stating that the company was justified in purchasing from these ranches.	Direct
5 ²⁹⁸	2018	Global Witness and Imazon	JBS purchased cattle from 231 different ranches with illegal deforestation in the state of Pará.	JBS replied stating that the company was justified in purchasing from these ranches.	Direct

²⁹² “JBS achieves its best result in the TAC Livestock Audit,” *Euromeatnews.com*, November 1, 2023

²⁹³ “JBS achieves its best result in the TAC Livestock Audit,” *Euromeatnews.com*, November 1, 2023

²⁹⁴ Greenpeace US (2009) *Slaughtering the Amazon*, Greenpeace US: Washington, D.C., United States

²⁹⁵ Mighty Earth (2023) *Rapid Response #1, Cattle, Monitoring deforestation in Brazilian supply chains*, Mighty Earth: Washington, D.C., United States

²⁹⁶ “JBS bought cattle from the family of the biggest deforester in the Amazon,” *Repórter Brasil*, André Campos, March 9, 2015

²⁹⁷ Global Witness (2020) *Beef, Banks and the Brazilian Amazon*, Global Witness: London, United Kingdom

²⁹⁸ Global Witness (2020) *Beef, Banks and the Brazilian Amazon*, Global Witness: London, United Kingdom

6 ²⁹⁹	2018	The Guardian and Repórter Brasil	JBS purchased over 1,900 cattle from an embargoed ranch that in 2017 received more IBAMA fines than any other ranch.	JBS indicated that an independent audit found not violations.	Indirect
7 ³⁰⁰	2019	Global Witness	JBS bought cattle from 204 ranches with illegal deforestation in Pará.	JBS replied stating that the company was justified in purchasing from these ranches	Direct
8 ³⁰¹	April 2018- June 2019	Greenpeace	JBS supplier farm received at least 4,000 cattle from two farms inside the Ricardo Franco State Park, a Conservation Unit in Mato Grosso; satellite images show that between 1998 and 2019, thousands of hectares were illegally deforested on the two farms.		Direct
9 ³⁰²	2019	The Guardian and Repórter Brasil	JBS bought 936 cattle from a farm that was embargoed via a “clean” farm in Pará.		Indirect
10 ³⁰³	2019	The Bureau of Investigative Journalism	During fires of 2019 investigations revealed JBS purchased from three farms with fires on the property and more than 250,000 fire alerts in JBS buying zones.	JBS responded that “[t]heoretical correlation based on estimates is not causation and is misleading”	Unknown
11 ³⁰⁴	2016-2019	Global Witness	Global Witness identified 3,270 indirect supplier farms with 98,000 hectares of deforestation in the state of Pará that sold to JBS direct suppliers; identified 2,940 indirect suppliers contained over 80,000 hectares of deforestation after October 2009 and may have violated the 2009 Greenpeace agreement.		Indirect
12 ³⁰⁵	2008-2020	Chain Reaction Research (CRR)	Since 2008, CRR detected that JBS purchased from 983 Amazon ranches with 20,296 hectares of deforestation and had over 1,800 indirect suppliers with over 50,000 hectares of deforestation in its supply chain. Based on JBS’s reported 90,000 suppliers, CRR estimated JBS’s total deforestation since 2008 from direct suppliers was as much as 200,000 hectares and from indirect suppliers over 1.5 million hectares of forest clearance.		Direct/ indirect
13 ³⁰⁶	2018-2021	The Guardian	A single farm in Mato Grosso deforested 2,000 hectares and then sold JBS nearly 500 cattle.		Direct

²⁹⁹ “Revealed: rampant deforestation of Amazon driven by global greed for meat,” The Guardian, Dom Phillips, Daniel Camargos, Andre Campos, Andrew Wasley and Alexandra Heal, July 2, 2019

³⁰⁰ Global Witness (2020) *Beef, Banks and the Brazilian Amazon*, Global Witness: London, United Kingdom

³⁰¹ “Risk Factor: deforestation,” *Greenpeace International*, 2020

³⁰² “Revealed: rampant deforestation of Amazon driven by global greed for meat,” The Guardian, Dom Phillips, Daniel Camargos, Andre Campos, Andrew Wasley and Alexandra Heal, July 2, 2019

³⁰³ “Record number of fires rage around Amazon farms that supply the world’s biggest butchers,” The Bureau of Investigative Journalism, Andrew Wasley, Alexandra Heal, André Campos, Sam Cutler and Charles Boutaud, December 10, 2019

³⁰⁴ Global Witness (2020) *Beef, Banks and the Brazilian Amazon*, Global Witness: London, United Kingdom

³⁰⁵ Chain Reaction Research (2020) *JBS: Outsized Deforestation in Supply Chain, COVID-19 Pose Fundamental Business Risks*, Chain Reaction Research: Washington, D.C., United States

³⁰⁶ “More than 800 m Amazon trees felled in six years to meet beef demand,” *The Guardian*, Andrew Wasley, Elisângela Mendonça, Youssr Youssef and Robert Soutar, June 2, 2023

14 ³⁰⁷	2018-2019	NGO investigation and JBS Admission	The Bureau of Investigative Journalism, The Guardian, and Reporter Brasil 'cattle laundering' investigation finds that, in 2020, cattle from a farm embargoed for illegal deforestation were moved to a "clean" farm via JBS trucks following which JBS stopped buying from both farms involved; from June 2018 to August 2019, at least 7,000 animals moved to the clean farm that from November 2018 to November 2019 sent approximately 7000 cattle to JBS.	JBS admitted the purchases but said it was a victim of cattle laundering.	Indirect
15 ³⁰⁸	2018-2022	NGO investigation and Admission	Repórter Brasil, Greenpeace Brazil, and Unearthed found that JBS bought almost 9,000 cattle from farms that had illegally deforested 2,844 hectares of forest cover in the state.	JBS admitted the purchases but said it was a victim of cattle laundering.	Direct
16 ³⁰⁹	2017-2022	The Bureau of Investigative Journalism, The Guardian, Repórter Brasil, and Forbidden Stories	800 million trees had been felled in the Amazon in six years, representing 17,000 sq km and that 13 JBS plants, twice as many as the next biggest meatpacker in Brazil, were linked to deforestation.		Unknown
17 ³¹⁰	2020	Greenpeace	A 2020 Greenpeace Brazil investigation revealed JBS received at least 4,000 cattle from Fazenda Barra Mansa between January 2018 and June 2019, and that 2,097 hectares of illegal deforestation was detected on that farm. A separate investigation found 5,369 hectares of deforestation between August 2019 and June 2020—the second-largest clearance in the Amazon—within the former boundaries of nearby Fazenda Tiborna. The farm was linked to a direct supplier of JBS between January 2018 and February 2020.		Direct and indirect
18 ³¹¹	2022	Global Witness	A Global Witness Twitter bot detected "an average of 64 football pitches of deforested land every single week" related to indirect deforestation by JBS in the Amazon.		Indirect
19 ³¹²	2019-2020	Mighty Earth and AidEnvironment	68 visually confirmed cases of deforestation in legal reserves between January 2019 and October 2020 connected to JBS supply chain totaling over 125,000 hectares.	JBS declined to investigate the 68 cases claiming that relying on the method used to identify the cases	Direct and indirect

³⁰⁷ See: "Revealed: new evidence links Brazil meat giant JBS to Amazon deforestation," *The Guardian*, André Campos, Andrew Wasley, Alexandra Heal, Dom Phillips and Piero Locatelli, July 27, 2020; "Brazilian Meat Giant Trucked Cattle from Deforested Amazon Ranch," *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, André Campos, Piero Locatelli and Dom Phillips, July 27, 2020

³⁰⁸ "JBS Admits to Having Bought Almost 9,000 Illegal Cattle From the 'Biggest Deforester In the Country,'" *Forests & Finance*, November 15, 2022; "JBS admits to buying almost 9,000 cattle from 'one of Brazil's biggest deforesters,'" Unearthed, Nara Hofmeister, André Campos, Isabel Harari and Lucy Jordan, November 11, 2022

³⁰⁹ "More than 800 m Amazon trees felled in six years to meet beef demand," *The Guardian*, Andrew Wasley, Elisângela Mendonça, Youssr Youssef and Robert Soutar, June 2, 2023

³¹⁰ Greenpeace International (2020) How JBS is Still Slaughtering the Amazon, Greenpeace International: Amsterdam, The Netherlands

³¹¹ "New tracking tool launched to monitor Amazon deforestation in meatpacker supply chain," Global Witness, press release, April 24, 2023

³¹² Mighty Earth (2023) *68 Deforestation cases, zero response: JBS fails to act on deforestation in its Brazilian supply chain*, Mighty Earth: Washington, D.C., United States

				was not compliant with Beef on Track and that to act “based on any methodology other than the official protocol generates an unreasonable precedent for compliance with sectoral agreements, environmental policies and legislation, and auditing from Federal Prosecutors.”	
20 ³¹³	2019-2023	Mighty Earth and AidEnvironment	A reassessment of 68 cases of deforestation linked to JBS in Brazil, revealed 18,458 hectares of additional deforestation on 22 out of 59 farms since initial clearance was detected. 37 additional cases linked to JBS cover an additional 60,218 hectares of deforestation up to September 2023. In total, JBS failed to respond to 105 alerts covering over 185,000 hectares of deforestation in Brazil over recent years.	JBS claimed to Mighty Earth that 88% of the total 105 cases are not currently JBS suppliers and the remaining 12% of the identified suppliers are in compliance with JBS’s cattle procurement policies and eligible to sell cattle to the company. JBS did not provide any evidence to substantiate these claims.	Direct and indirect

When questioned about its deforestation over the years, JBS has offered a series of deflections, denials, deceptions, and excuses.

Claim “0” known or estimated deforestation. Despite numerous incidents where notice was provided to JBS concerning deforestation in its supply chain from 2008 to 2022, including audits by Brazilian state prosecutors finding deforestation in its direct supply chain, even instances where JBS conceded that it happened, and its knowledge of deforestation in the indirect supply chain—JBS indicated in its CDP Forests 2023 disclosure, intended for use by investors, that “0” hectares of known or estimated deforestation or conversion occurred in its direct cattle supply chain since 2008.”³¹⁴

³¹³ Mighty Earth (2024) *Failure to Act: Preventable destruction in the Amazon and Cerrado surges by over 18,000 hectares as JBS ignores deforestation alerts*, Mighty Earth: Washington, D.C., United States

³¹⁴ JBS CDP Forests 2023 disclosure, response to question F1.7, available with a login, see: <https://www.cdp.net/en/responses/9730>

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Cattle products

Have you monitored or estimated your deforestation/conversion footprint?

Yes, we monitor deforestation/conversion footprint in our supply chain

Coverage

Full consumption volume

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Since a specified cutoff date, please specify year (2008)

Known or estimated deforestation/ conversion footprint (hectares)

0

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

Considering only direct suppliers in their entirety. JBS does not purchase animals from farms involved in deforestation of the Amazon and Cerrado biomes, invasion of indigenous or environmental conservation units, Quilombola communities lands, or farms located in areas embargoed by the Brazilian Institute for the Environment and Natural Resources (IBAMA). Furthermore, the Company does not purchase cattle suppliers who use indentured forced labor and it conducts other risk assessments throughout the supply chain.

In 2010, the company implemented a system that monitors and verifies conditions on all direct supplier properties to ensure that all animal purchases comply with the social and environmental criteria. Every day, JBS analyses more than 85,000 cattle suppliers in Brazil – around 15 thousand have already been suspended - using satellite imagery, farm geo-referencing data and information from government agencies. The JBS monitoring system analyses satellite imagery of supplier farms and covers Around 850 thousand km² (210 million acres) and over 1,990 municipal regions in every Brazilian biome.

JBS's cattle procurement operations and its entire supplier monitoring system are audited every year by independent auditors and the audit results are published on the JBS website.

Figure 8: JBS response to CDP 2023 Forests Questionnaire, question F1.7. Source: CDP

Recommitting to promises instead of earnestly addressing failures. In order to avoid negative publicity and scrutiny from Greenpeace and others, JBS agreed to the “Minimum Criteria for Industrial-Scale Operations with Cattle and Bovine Products in the Amazon” on September 23, 2009, providing that there would be “[n]o new deforestation for cattle ranching (. . .) after 4 October 2009,” specifically that within six months of signing there would be no deforestation from direct suppliers (March 2010) and within two years (October 2011), no deforestation from indirect suppliers; and that signatories would reject invasion of Indigenous lands, protected areas, slavery work, land grabbing, and land conflicts.³¹⁵

JBS missed both deadlines and continued to buy cattle from deforested areas.³¹⁶ In 2012, Greenpeace International published a report identifying flaws in JBS’s control systems related to their commitments, including deforestation.³¹⁷ JBS’s initial response was to sue Greenpeace, but conversations between the two parties resumed, JBS reaffirmed its commitment to the 2009 pledge and did not pursue the litigation.³¹⁸

³¹⁵ See: “Greenpeace Brazil Suspends Negotiations with Cattle Giant JBS,” *Greenpeace*, Rodrigo Estrada, March 23, 2017; Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

³¹⁶ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

³¹⁷ “Brazil’s JBS says withdraws lawsuit against Greenpeace,” *Reuters*, Fabiola Gomes, December 19, 2012

³¹⁸ “Brazil’s JBS says withdraws lawsuit against Greenpeace,” *Reuters*, Fabiola Gomes, December 19, 2012

Then, in March 2017, when the Brazilian government fined JBS over US\$7 million for buying cattle from illegally deforested land, Greenpeace suspended its negotiations with JBS calling the breach an environmental crime and explaining that the “illegal practices exposed by [the Brazilian government] are a blatant violation of the terms” of JBS’s commitment.³¹⁹

Misuse of independent audit results. When questioned about issues related to deforestation by indirect suppliers, JBS pointed to audits conducted by independent auditor DNV GL that concluded there were no irregularities in 7,140 cattle transactions in 2018.³²⁰ However, the audits did not review indirect suppliers and explicitly state that “[i]n the case of indirect suppliers, JBS has not yet been successful in implementing traceability processes,”³²¹ a fact well known to JBS. Despite the known limitations, JBS used the results to claim that DNV GL “reported that 100% of JBS 2018 cattle purchases in the Amazon region were socially and environmentally compliant.”³²² DNV GL responded to JBS’s use of their audits as evidence of no deforestation by stating unequivocally that its audits “cannot be used as evidence of good practices throughout the entire supply chain.”³²³

Contest government audit findings. JBS claims a “zero tolerance” policy for deforestation, even referring to it as “unequivocal zero tolerance,”³²⁴ but its actions are inconsistent. For example, when audited by the Brazilian Federal Public Prosecutor’s Office (MPF) and found to be out of compliance with 16.7% of direct suppliers in 2019-2020, JBS contested the findings arguing that the audit should not have included land cleared as far back as July 2008. If JBS’s request were granted, its non-compliance would be less than 8.85%. Manipulating the data is neither transparent nor consistent with unequivocal zero tolerance.³²⁵ It is also contrary to JBS’s Responsible Raw Material Procurement Policy that refers to 2008 with respect to the Amazon for both legal and illegal deforestation.³²⁶

Deny that a particular farm was irregular. In a 2020 investigation, journalists were able to collect photographs of JBS drivers moving cattle from a ranch under embargo to another ranch in what appeared to be JBS’s direct involvement in laundering cattle. When confronted with the photographic proof, JBS denied that the property in question was under embargo.³²⁷

³¹⁹ “Greenpeace Brazil Suspends Negotiations with Cattle Giant JBS,” *Greenpeace*, Rodrigo Estrada, March 23, 2017

³²⁰ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

³²¹ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

³²² See: “Brazil: Auditor calls out meat packer JBS’s use of its audits to claim compliant supply chain in the Amazon,” *Amnesty International*, July 22, 2020; JBS (2019) *JBS Responsible Procurement Policy*, JBS: São Paulo, Brazil

³²³ “Brazil: Auditor calls out meat packer JBS’s use of its audits to claim compliant supply chain in the Amazon,” *Amnesty International*, July 22, 2020

³²⁴ *Amnesty International (2020) From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³²⁵ “MPF anuncia medidas contra frigoríficos que prejudicam os acordos de combate ao desmatamento no Pará (atualizada),” *Ministerio Publico Federal*, press release, December 16, 2022

³²⁶ JBS (2023) *Responsible Purchasing Policy of JBS Friboi - Suppliers*, JBS: São Paulo, Brazil

³²⁷ See: “Revealed: new evidence links Brazil meat giant JBS to Amazon deforestation,” *The Guardian*, André Campos, Andrew Wasley, Alexandra Heal, Dom Phillips and Piero Locatelli, July 27, 2020; “Brazilian Meat Giant Trucked Cattle from Deforested Amazon Ranch,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, André Campos, Piero Locatelli and Dom Phillips, July 27, 2020

Claiming JBS was a cattle-laundering victim. JBS admitted to buying almost 9,000 cattle from rancher Chaules Pozzebon, one of the biggest deforesters in Brazil, between 2018 and 2022, from farms in the Amazon that had illegally stripped 2,844 hectares of forest cover. In its defense, JBS claimed it was a victim of cattle laundering. JBS explained that it thought the cattle were raised on a “clean” farm owned by Pozzebon—who at the time was serving a 99-year sentence for leading a criminal gang and had been separately convicted of slave labor.³²⁸

Repeated promises to end deforestation related to indirect suppliers but going ten years without a plan and fourteen without a solution. JBS promised to end deforestation from indirect suppliers by 2011.³²⁹ It did not happen. JBS recommitted to the same promise in 2012.³³⁰ Again, it did not happen. According to 2014 emails between a JBS executive and deforestation researchers, JBS knew that commitments made in 2009 and repeated in 2012 were a challenge.³³¹

In 2017 when IBAMA fined JBS US\$7.7 million for purchasing cattle associated with deforestation, JBS responded to the charges by saying that it had no visibility into its indirect suppliers.³³² As late as 2018, independent audits indicated that “JBS has not yet been successful in implementing traceability processes” with respect to indirect suppliers.³³³ Then in 2020, JBS CEO Gilberto Tomazoni conceded that “[c]urrently, the company does not monitor indirect suppliers and no company does so. But we plan to close this gap using technology,” referring to the development of a blockchain solution to monitor suppliers.³³⁴ JBS has promised the blockchain solution will be fully operational by 2025, providing for deforestation at least until then in Brazil.³³⁵

Failing to exclude ranchers that did not satisfy government deforestation checks. In 2021, JBS established 18 Green Offices that “include teams of specialists and certified consultants who provide free technical support to producers to help them bring their farms into compliance.”³³⁶ According to an investigation by Bloomberg in Brazil, JBS Green Offices are not in the field and the JBS Green Office representatives do not proactively visit farmers, instead, the offices are in the JBS slaughterhouses so that when sellers fail deforestation checks at the slaughterhouse, JBS can “step (. . .) in to help them figure out how to get off government blacklists to start selling legally.”³³⁷ As Jessica Brice of Bloomberg put it: “Legalizing suppliers by helping them file paperwork is at the crux of JBS’s strategy to clean up its supply chain. That’s not the same as eliminating deforestation.”³³⁸ As of 2023,

³²⁸ “JBS admits to buying almost 9,000 cattle from ‘one of Brazil’s biggest deforesters,’” *Unearthed*, Nara Hofmeister, André Campos, Isabel Harari and Lucy Jordan, November 11, 2022

³²⁹ Greenpeace (2011) *Broken Promises: How the cattle industry in the Amazon is still connected to deforestation, slave labour and invasion of indigenous land*, Greenpeace Brazil: São Paulo, Brazil

³³⁰ “JBS recommits to Cattle Agreement in the Amazon,” *Greenpeace*, Jess Miller, December 20, 2012

³³¹ “Brazil’s JBS accused of violating Amazon rainforest protection laws,” *Reuters*, Anthony Boadle, April 2, 2017

³³² “Brazil’s JBS accused of violating Amazon rainforest protection laws,” *Reuters*, Anthony Boadle, April 2, 2017

³³³ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

³³⁴ “Brazil’s JBS launches fund to foster Amazon preservation,” *Reuters*, Roberto Samora, September 23, 2020

³³⁵ “Brazil’s JBS launches fund to foster Amazon preservation,” *Reuters*, Roberto Samora, September 23, 2020

³³⁶ JBS ESG, Our Environment, Responsible Sourcing, see: <https://jbsesg.com/our-environment>

³³⁷ “How Big Beef Is Fueling the Amazon’s Destruction,” *Bloomberg*, Jessica Brice, January 21, 2022

³³⁸ “How Big Beef Is Fueling the Amazon’s Destruction,” *Bloomberg*, Jessica Brice, January 21, 2022

JBS's CEO indicated that more than 6,000 farmers had been brought into compliance via the Green Offices.³³⁹

“Guarantee[ing] responsible raw material sourcing” to investors while implicitly admitting years of failures to comply. In a presentation to investors posted on its website, JBS “guarantee[s] responsible raw material sourcing”³⁴⁰ and then in another presentation commits to “[e]liminate illegal deforestation from our supply chain in Brazilian biomes by 2025.”³⁴¹ On its face, there cannot be “responsible raw material sourcing” that includes, by its own admission, illegal deforestation until at least 2025, assuming JBS meets its goal. In fact, in recent correspondence to InfoAmazonia, JBS clarified that 2025 does not mean January 1, 2025, in fact, JBS is aiming for January 1, 2026, providing itself permission to benefit from deforestation for another year.³⁴²

Moreover, the 2021 commitment to eliminate illegal deforestation by 2025 in Brazilian biomes amounts to an admission (1) that JBS failed to meet its prior commitments related to eliminating illegal deforestation by 2011 and (2) that it had no plan to end legal deforestation as promised in 2009, 2021, and 2022. Perhaps even more troubling is that at the same time JBS is promising to eliminate, by 2025, illegal deforestation from “suppliers of our suppliers,”³⁴³ its CEO is saying that it is not possible without a government system: “[The] only solution for this deforestation in Brazil is to have a national mandatory traceability system, then we can track individual by individual the animals. We don’t have, so far, a national program for traceability.”³⁴⁴

“Guarantee[ing] responsible raw material sourcing” to investors and then admitting it does not have visibility into its whole sourcing supply chain. In one presentation to investors, JBS “guarantee[s] responsible raw material sourcing”³⁴⁵ and then in correspondence with InfoAmazonia, JBS indicated with respect to indirect suppliers that it “cannot monitor the other links in its supply chain,” admitting it has no visibility beyond direct suppliers”³⁴⁶ as late as 2022. It is hard to understand how JBS can “guarantee responsible raw material sourcing” if it concedes it does not have visibility into the supply chain.

Commitments are to technicalities, not elimination of deforestation as promised. JBS says that it “takes an unequivocal zero deforestation approach”³⁴⁷ that it is “committed to

³³⁹ “The C.E.O. of the World’s Largest Beef Producer Answers Questions about its Environmental Record,” New York Times Events, interview by David Gelles, September 24, 2023, see:

<https://youtu.be/OF1PdxTptug?si=ss0RNfYp2xWQjLHi>

³⁴⁰ JBS (2019) *JBS Sustainability*, JBS: São Paulo, Brazil

³⁴¹ JBS (2023) *Sustainability at JBS*, JBS: São Paulo, Brazil

³⁴² “Grupo Casino continua vendendo carne proveniente da Terra Indígena Uru-Eu-Wau-Wau, apesar de processo judicial na França,” *InfoAmazonia*, Fábio Bispo, June 29, 2023

³⁴³ JBS, JBS Net Zero Strategies, see:

<https://web.archive.org/web/20230302164555/https://jbs.com.br/netzero/en/strategies/>

³⁴⁴ “JBS says Brazil needs mandatory cattle tracking to stop deforestation,” *Reuters*, Tom Polansek, September 21, 2023

³⁴⁵ JBS (2019) *JBS Sustainability*, JBS: São Paulo, Brazil

³⁴⁶ “Grupo Casino continua vendendo carne proveniente da Terra Indígena Uru-Eu-Wau-Wau, apesar de processo judicial na França,” *InfoAmazonia*, Fábio Bispo, June 29, 2023

³⁴⁷ “Brazilian Meat Giant Trucked Cattle from Deforested Amazon Ranch,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, André Campos, Piero Locatelli and Dom Phillips, July 27, 2020

eradicating deforestation,³⁴⁸ yet in a recent investigation related to collagen, a product produced from cow hides, it was found that JBS and another Brazilian meatpacker had sourced its cattle from farms engaged in deforestation and violence against Indigenous peoples.³⁴⁹ In response to the investigation JBS acknowledged that there was deforestation, but defended its actions by saying its cattle purchases were “fully compliant” with their procurement and monitoring protocols.³⁵⁰

A review of JBS’s “Responsible Purchasing Policy of JBS Friboi – Suppliers” demonstrates an inconsistency. The policy provides that JBS will not “acquire animals from farms or suppliers involved in,” among other things, the following:

- 1) “Deforestation in the Amazon biome, with or without authorization, with cut-off date of 07/22/2008;”
- 2) “Unauthorized deforestation in the other biomes, with cut-off dates of 08/01/2019;” and
- 3) “Areas embargoed due to deforestation.”³⁵¹

The list by its own terms distinguishes between deforestation in the Amazon biome and embargoed property, suggesting that it would act on deforestation information short of an official embargo determination. Moreover, the commitment is to deforestation “with or without authorization, with cut-off date of 07/22/2008,” meaning all deforestation legal or not for the last 15 years. JBS’s practice in dealing with deforestation in its supply chain is different than the policy posted on its website and provided as evidence of its commitment in filings with the United States Government and shared with investors and customers.

Providing misleading responses that confuse issues. When challenged by World Animal Protection (WAP) in a July 13, 2022, report entitled “ABP: Investing in an Uninhabitable World,” criticizing continued Dutch investment in factory farming, JBS took issue with the report and provided a response.³⁵² As part of its response JBS responded to WAP’s comment that “JBS has not pledged to stop deforestation across its global supply chain before 2035 and has no adequate accountability mechanism to ensure this target is met” by claiming that “[t]his affirmation is wrong. JBS has a very clear public commitment: our goal is to ensure a deforestation-free supply chain in all of Brazilian biomes in which we operate by 2025.”³⁵³ On its face, JBS’s claim is confusing because WAP was referring to the global supply chain goal, not just Brazil, and while JBS claimed that WAP was wrong, it did not even respond to the accusation that JBS had any “adequate accountability mechanism.”

Promising action and then withdrawing or narrowing the commitment. When JBS first announced its Net Zero 2040 commitment, it unequivocally claimed that “[t]he company will achieve zero deforestation across its global supply chain by 2035.” In May

³⁴⁸ “Meat company faces heat over ‘cattle laundering’ in Amazon supply chain,” *The Guardian*, Dom Phillips, February 20, 2020

³⁴⁹ “No Excuse for Collagen Companies Sourcing from Deforested Land,” *The Bureau of Investigative Journalism*, Grace Murray, Elisângela Mendonça, Andrew Wasley and Fábio Zuker, March 8, 2023

³⁵⁰ “No Excuse for Collagen Companies Sourcing from Deforested Land,” *The Bureau of Investigative Journalism*, Grace Murray, Elisângela Mendonça, Andrew Wasley and Fábio Zuker, March 8, 2023

³⁵¹ JBS (2023) *Responsible Purchasing Policy of JBS Friboi - Suppliers*, JBS: São Paulo, Brazil

³⁵² Letter from JBS to World Animal Protection, July 2022, see: <https://www.worldanimalprotection.nl/sites/default/files/2022-07/JBSResponseToWAP.pdf>.

³⁵³ Letter from JBS to World Animal Protection, July 2022, see: <https://www.worldanimalprotection.nl/sites/default/files/2022-07/JBSResponseToWAP.pdf>.

2022, JBS claimed it was accelerating its climate promises and appeared to advance the date to 2030 for its end of global deforestation, but the commitment narrowed to a risk assessment:

- **2030:** Zero deforestation globally. A collective global risk assessment will identify other areas of risk, and companies will develop additional implementation plans as needed to achieve this aim.³⁵⁴

The JBS Net Zero website now reflects this softened commitment: “Collective global risk assessment and development of additional implementation plans as needed for global 2030 no-deforestation target.”³⁵⁵

JBS did a similar back track with its deforestation promise with respect to “suppliers of suppliers.” In JBS’s initial description of its Net Zero 2040 deforestation commitment, it indicated the company would “eliminate illegal deforestation from our Brazilian cattle supply chain including the suppliers of our suppliers in the Amazon and other Brazilian biomes by 2025 (. . .).”³⁵⁶ There were no caveats or further explanations. In a separate JBS ESG presentation, the commitment is repeated with more detail and described as ending “illegal deforestation in all biomes by the end of 2025 for both direct suppliers and tier 1 indirect suppliers.”³⁵⁷ No explanation was provided for the difference.

Providing testimony to the Senate Finance Committee concerning the JBS Amazon deforestation commitment that is at best confusing. During testimony before the Senate Finance Committee in June 2023, JBS’s Global Chief Sustainability Officer, Jason Weller, described the JBS “Zero-Tolerance Zero Deforestation Sourcing Policy” as follows:

JBS has set forth a clear zero deforestation commitment in the Amazon, which includes:

- Zero deforestation by direct livestock suppliers by the end of this year (2023)
- Zero deforestation by indirect livestock suppliers by the end of 2025 (legal and illegal, PRODES 2008)³⁵⁸

He explained that JBS’s procurement policy “prohibits the purchase of livestock from farms involved in deforestation,” and that it requires “all livestock suppliers” to participate in Beef on Track protocol “for a deforestation-free beef supply chain.”³⁵⁹ While this presentation sounds significant, the procurement policy Mr. Weller mentioned has been in place since 2009 with limited effect. In addition, his testimony also indicated that JBS is “in

³⁵⁴ “JBS brings forward zero deforestation targets as it ramps up action towards 1.5 degrees Celsius pathway,” JBS, press release, November 25, 2023

³⁵⁵ JBS Net Zero 2040, JBS is committing to be Net Zero by 2040, see:

<https://web.archive.org/web/20240307205318/https://jbs.com.br/netzero/en/>

³⁵⁶ JBS Net Zero 2040, Strategies, see:

<https://web.archive.org/web/20230302164555/https://jbs.com.br/netzero/en/strategies/>

³⁵⁷ JBS ESG, Our Environment, Responsible Sourcing, see: <https://jbsesg.com/our-environment>

³⁵⁸ “Testimony of Jason Weller JBS Global Chief Sustainability Officer Cattle Supply Chains and Deforestation of the Amazon Before the Senate Finance Committee”, United States Senate, testimony, see:

https://www.finance.senate.gov/imo/media/doc/06222023_weller_testimony.pdf

³⁵⁹ “Testimony of Jason Weller JBS Global Chief Sustainability Officer Cattle Supply Chains and Deforestation of the Amazon Before the Senate Finance Committee”, United States Senate, testimony, see:

https://www.finance.senate.gov/imo/media/doc/06222023_weller_testimony.pdf

no way non-transparent about the challenge of indirect suppliers” and then mentioned, without explanation or quantification, that its system to ensure compliance by 2025 would only include “tier 1 indirect suppliers.”³⁶⁰

Stating unequivocally that JBS does not purchase from those involved in deforestation (as well as forced labor and environmental embargos) when there is significant evidence to the contrary. JBS has repeatedly given the impression that it does not purchase from suppliers involved in deforestation to make it appear that its business does not involve deforestation,³⁶¹ when in truth and in fact, (1) JBS has reason to believe that in certain audited regions, up to 32% of its purchases from direct suppliers involved deforestation or other legal irregularities³⁶² and (2) JBS does not acknowledge that an unknown amount of deforestation is associated with its indirect suppliers.

Refusing to investigate deforestation because JBS does not approve of the monitoring system. When Mighty Earth and deforestation monitoring group AidEnvironment provided 68 Rapid Response alerts, visually confirmed cases of deforestation in the Amazon, associated with JBS, the company that described its approach as a “zero tolerance, zero deforestation,”³⁶³ JBS declined to investigate any of the cases on the grounds that JBS did not approve of the real-time satellite monitoring system used.³⁶⁴

The system used to generate the 68 Rapid Response alerts involved using real-time satellite imagery, “official deforestation and fire alerts data from the Brazilian National Institute for Space Research (INPE), such as DETER (Deforestation Detection in Real Time) and PRODES (Measurement of Deforestation by Remote Sensing),” then confirming the clearance of native vegetation through satellite imagery, analyzing cross-referenced data from various sources and datasets, and validating the loss by a local partner. JBS then received the reports with “detailed information” for each case and high-resolution satellite imagery.³⁶⁵

JBS explained that the Rapid Response methodology was not consistent with the “Beef on Track” methodology related to the TAC agreement and that “[t]aking action against livestock producers—such as blocking sale of cattle and other actions—based on any methodology other than the official protocol generates an unreasonable precedent for compliance (. . .).”³⁶⁶ On its face, this not consistent with JBS’s Raw Material Procurement policy that covers broadly “[d]eforestation in the Amazon biome, with or

³⁶⁰ “Testimony of Jason Weller JBS Global Chief Sustainability Officer Cattle Supply Chains and Deforestation of the Amazon Before the Senate Finance Committee”, United States Senate, testimony, see: https://www.finance.senate.gov/imo/media/doc/06222023_weller_testimony.pdf.

³⁶¹ JBS 360, Responsible Raw Material Procurement Policy, see: <https://jbs360.com.br/en/responsible-procurement/>

³⁶² “Brazil’s JBS bought 301,000 cattle from ‘irregular’ farms in the Amazon, audit finds,” *Reuters*, October 7, 2021

³⁶³ JBS (2023) *2022 JBS Sustainability Report*, JBS: São Paulo, Brazil.

³⁶⁴ “JBS Refusal to Investigate 68 Cases of Amazon and Cerrado Deforestation Exposed Ahead of Meat Giants’ AGM,” *Mighty Earth*, April 24, 2023

³⁶⁵ *Mighty Earth (2023) 68 Deforestation cases, zero response: JBS fails to act on deforestation in its Brazilian supply chain*, Mighty Earth: Washington, D.C., United States

³⁶⁶ *Mighty Earth (2023) 68 Deforestation cases, zero response: JBS fails to act on deforestation in its Brazilian supply chain*, Mighty Earth: Washington, D.C., United States

without authorization, with cut-off date of 07/22/2008.”³⁶⁷ It does not say deforestation as determined by the “official protocol.”

VII. Indigenous Rights Violations

The beef industry generally, and JBS specifically, face significant issues in their direct and indirect cattle supply chains with respect to environmental and social concerns. In its SEC Form-F4, JBS acknowledges these challenges in the meat industry: “The raising of cattle and other livestock are at times associated with deforestation, invasion of indigenous lands and protected areas and other environmental and human rights concerns.”³⁶⁸

A. Indigenous Rights Violations in Brazil

In recent years, violations of Indigenous rights have increased in Brazil. In 2021, there was a “deepening and a dramatic intensification of violence and rights violations against the Indigenous people of Brazil.”³⁶⁹ The intensification included an “increase of invasion of Indigenous lands (TI; Terra Indígena), attacks against Indigenous villages and Indigenous leaders as well as the intensification of conflicts showing the institutional atmosphere of an attack against the constitutional rights of Brazil’s Indigenous people.”³⁷⁰

The deforestation associated with cattle ranching often goes together with Indigenous rights violations. The conversion of land from tropical forest to pasture is linked to violence against Indigenous peoples and local communities (IPs and LCs)³⁷¹ as well as labor rights violations against the same peoples and communities working on deforested lands, ranches, farms and in related slaughterhouses.³⁷²

Between August 2018 and July 2019, Indigenous territories in the Amazon lost 497 km² of rainforest, a 91% increase over the previous year, according to government estimates.³⁷³ In one year alone, in 2019, it is estimated that seven Indigenous people were killed, 27 received death threats, and there were seven attempted murders related to land seizures from Indigenous people.³⁷⁴

This rise comes despite a recent finding underscoring the significant role that Indigenous people and local communities in the Amazon can play in decreasing

³⁶⁷ JBS (2023) *Responsible Purchasing Policy of JBS Friboi - Suppliers*, JBS: São Paulo, Brazil

³⁶⁸ U.S. Securities and Exchange Commission, Form F-4, Registration Statement JBS B.V. No. 333-273211, March 27, 2024, see: <https://www.sec.gov/Archives/edgar/data/1791942/000119312524078243/d654052df4a.htm>

³⁶⁹ Conselho Indigenista Missionário (2021) *Violation against Indigenous People of Brazil*, Conselho Indigenista Missionário (CIMI): Brasília, Brazil

³⁷⁰ Conselho Indigenista Missionário (2021) *Violation against Indigenous People of Brazil*, Conselho Indigenista Missionário (CIMI): Brasília, Brazil

³⁷¹ “Beef Companies Failing to Protect Human Rights,” *Forest 500*, Alice Field, July 19, 2023

³⁷² “Beef Companies Failing to Protect Human Rights,” *Forest 500*, Alice Field, July 19, 2023

³⁷³ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³⁷⁴ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

deforestation, lowering rates of carbon emissions from those areas,³⁷⁵ and guarding not only of the forest, but the biodiversity within it as well. Deforestation of Indigenous lands is particularly devastating for the community. As one young Uru-Eu-Wau-Wau man explained: “It is like becoming homeless. For us [the forest] means everything necessary for our survival. Without the forest we are nothing, we have nowhere to go.”³⁷⁶

Amnesty International summarized Brazilian government data concerning cattle in protected areas defined as “areas that receive special legal protection, comprising Indigenous territories, Reserves and other types of environmentally protected areas”:

- **Commercial cattle ranching up 22% from 2019-2020:** “[T]he official number of cattle in protected areas where commercial cattle ranching is illegal rose from 125,560 in November 2018 to 153,566 in April 2020. This represents an increase of 22%.”
- **93% of cattle moved out of protected areas to another farm.** “93% (or 82,882) of the cattle moved from farms located in protected areas where commercial cattle ranching is illegal were transferred to another farm for purposes of fattening or reproduction. The percentage of cattle sent directly to meatpacking companies for slaughter accounted for just 7% (or 6,316 cattle).”³⁷⁷

B. JBS Commitments related to Indigenous rights

JBS claims it has a “historical commitment linked to sustainability, among which respect for indigenous land areas stands out.” JBS first pledged to address Indigenous rights violations in 2009 in two separate agreements, including the TAC agreement with Brazilian prosecutors wherein they agreed not to purchase cattle from farms located on Indigenous lands or environmentally protected areas.³⁷⁸ The pledge was incorporated into JBS’s Responsible Procurement policy in 2010³⁷⁹ and JBS recommitted to the 2009 pledge in 2012.³⁸⁰

C. JBS links to Indigenous rights violations

Despite these commitments, JBS has been linked with a series of Indigenous rights violations, and in 2023, JBS was accused of purchasing directly from farms grazing cattle in protected areas in the Amazon.³⁸¹ A 2020 Amnesty International report “found that JBS has contributed to human rights abuses—including intimidation, threats, forced displacement and

³⁷⁵ Wayne S. Walker, et al. (2020) *The role of forest conversion, degradation, and disturbance in the carbon dynamics of Amazon indigenous territories and protected areas*, *Proceedings of the National Academy of Sciences*, Vol. 117, n° 6, January 27, 2020

³⁷⁶ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³⁷⁷ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³⁷⁸ Amigos da Terra (2020) *Terms of Adjustment of Conduct in Pará and the Public Commitment on Cattle Ranching*, Amigos da Terra: São Paulo, Brazil

³⁷⁹ JBS (2023) *Responsible Purchasing Policy of JBS Friboi - Suppliers*, JBS: São Paulo, Brazil

³⁸⁰ “JBS recommits to Cattle Agreement in the Amazon,” *Greenpeace*, Jess Miller, December 20, 2012

³⁸¹ “JBS Accused of Buying Cattle from the Most Deforested Resex in the Amazon,” *Agência Pública*, Rubens Valente, Agência Pública, Fabiano Maisonnave and The Associated Press, December 19, 2023

murder—against Indigenous peoples and residents of three Indigenous reserves in the Brazilian state of Rondônia by participating in the economic incentives for cattle illegally grazed in protected areas.”³⁸² In a separate study, Mighty Earth mapped the areas in which the JBS supply chain is connected to Indigenous lands.³⁸³



Figure 9: Map showing the location of 12 farms linked to deforestation and JBS’s beef supply chain and proximity to Indigenous lands. Source: [Mighty Earth](#)

Indigenous people from Pará have joined Mighty Earth and other civil society organizations in filing a formal complaint with the SEC concerning JBS’s IPO filing.³⁸⁴ According to reporting, the complaint alleges that JBS provided misleading information, including statements concerning raising cattle being “sometimes associated with invading indigenous lands” as if it is an unavoidable and inevitable part of cattle ranching.³⁸⁵ This effort to “distance itself from its responsibility, insinuating that the invasion of indigenous lands is an almost natural phenomenon resulting from cattle farming,” is an effort to

³⁸² BankTrack, JBS profile, see: <https://www.banktrack.org/company/jbs>

³⁸³ “Deforestation Cases Linked to JBS Beef Supply Chain Harm Indigenous Lands,” *Mighty Earth*, April 24, 2023

³⁸⁴ “Indigenous people from Pará challenges JBS in the U.S.,” *Valor International*, Ricardo Mendonça, October 20, 2023

³⁸⁵ “Indigenous people from Pará challenges JBS in the U.S.,” *Valor International*, Ricardo Mendonça, October 20, 2023

“minimiz[e] the seriousness of the act and its culpability.”³⁸⁶ The complaint further alleges that “invasion of protected areas in Brazil is facilitated and financed by slaughterhouses, which disregarding the law, buy cattle from indigenous territories” making JBS an accomplice in violating Indigenous rights.³⁸⁷

In addition to instances of violations of Indigenous peoples’ rights described in the sections above, below is a selection of specific cases involving JBS and Indigenous lands:

1. Use of protected areas and Indigenous land for cattle

- 1) **2019:** According to transport permits, a truck transported 54 cattle from Santa Rita, a farm in Pará inside the Itacaiúnas national forest, which is designated as a preserve to safeguard biodiversity, to a farm outside the preserve on August 28, 2019. Within a week, 18 cattle, matching the description of the 54 cattle, were moved to a JBS slaughterhouse, and 36 more cattle were sent in the next two months.³⁸⁸
- 2) **2019:** Amnesty International found that JBS directly purchased cattle from a farmer who illegally grazes cattle on a farm inside the Rio Ouro Preto Reserve in Rondônia state in the Amazon.³⁸⁹
- 3) **2019:** Amnesty International found that JBS purchased laundered cattle from two farms, one in the Rio Jaci-Paraná Reserve and another in the Uru-Eu-Wau-Wau Indigenous territory that had engaged in cattle laundering.³⁹⁰
- 4) **2019:** Repórter Brasil demonstrated a likelihood that JBS bought cattle from a farm that had illegally raised cattle on the Pequizal do Naruvôtu Indigenous Land in Mato Grosso. The rancher in question that sold the cattle has been fined R\$10.9 million³⁹¹ (US\$2.2 million).³⁹²
- 5) **2020:** A farm inside a protected area in Mato Grosso State appeared to be cattle laundering by moving 3,000 cattle from the protected area to a second farm outside of the Indigenous area that sold cattle to JBS shortly thereafter.³⁹³

³⁸⁶ “Indigenous people from Pará challenges JBS in the U.S.,” *Valor International*, Ricardo Mendonça, October 20, 2023

³⁸⁷ “Indigenous people from Pará challenges JBS in the U.S.,” *Valor International*, Ricardo Mendonça, October 20, 2023

³⁸⁸ “How Illegal Land Grabs in Brazil’s Amazon Feed the Global Beef Industry,” *OCCRP*, Allan de Abreu, July 8, 2022

³⁸⁹ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³⁹⁰ Amnesty International (2020) *From Forest to Farmland – Cattle Illegally Grazed in Brazil’s Amazon Found in JBS’s Supply Chain*, Amnesty International: London, United Kingdom

³⁹¹ Repórter Brasil (2020) *The Money that Feeds the Cattle*, Repórter Brasil: São Paulo, Brazil

³⁹² Forbes Advisor, currency exchange as of January 3, 2023, see: <https://www.forbes.com/advisor/money-transfer/currency-converter/brl-usd/?amount+10900000>

³⁹³ “Conselho Indigenista Missionário (2022) Violence against Indigenous Peoples in Brazil - 2021 data, Conselho Indigenista Missionário (CIMI): Brasília, Brazil

- 6) **2021:** On May 15, 2021, a JBS slaughterhouse received 54 animals from Aryane Farm in Rondônia. The herd at Aryane Farm included 90 heads of cattle from a farm, Fazenda Coimbra, within the Uru-Eu-Wau-Wau Indigenous land.³⁹⁴
- 7) **2018-2022:** Repórter Brasil identified an illegal rancher Juscelino Dias Moreira within the Apyterewa territory that was laundering cattle with other farms he owned outside the protected area in Pará and then sending hundreds of cattle from these apparently clean farms for sale to JBS.³⁹⁵
- 8) **2018 - 2022:** In a detailed investigation by InfoAmazonia, along with the Center for Climate Crime Analysis, CAR (Cadastro Ambiental Rural) land registry data from GTA (Guia de Trânsito Animal) animal transportation guides was used to show that farms in Indigenous territories from 2018 to 2022 in the Amazon supplied more than 8,000 cattle indirectly into JBS's supply chain.³⁹⁶
- 9) **2022:** In Mato Grosso on the Fazenda Santiago farm, a farm that overlaps with an area claimed by the Ikpeng Indigenous people, approximately 11,392 hectares was deforested, the equivalent of over 16,000 soccer fields. The owner of this cattle farm is known as one of the biggest deforesters in the Amazon. From 2001 to 2020, he was fined almost US\$15 million by Brazilian environmental authorities, including penalties for illegal clearance of native vegetation, environmental degradation and irregular use of agrochemicals. Despite this record, JBS continues to do business with the farm and refuses to investigate instances of deforestation on the land.³⁹⁷
- 10) **2023:** In Rondônia, Brazilian prosecutors have brought three cases against JBS for purchasing 227 cattle directly from a farm that grazed cattle in a protected area known as Jaci-Paraná. The deforestation in the Jaci-Paraná Reserve is particularly extensive, with 80% of the reserve deforested.³⁹⁸ The cases seek US\$3.4 million in damages to the protected area including for “invading, occupying, exploiting, causing environmental damage, preventing natural regeneration, and/or taking economic advantage” of the protected lands.³⁹⁹ The cases are unique in that they are supported by cattle transfer documents produced by the allegedly illegal ranchers themselves that show cattle coming directly from the Jaci-Paraná Reserve.⁴⁰⁰ The JBS plants involved in the suits have exported to the United States, China, Russia, Spain and Saudi Arabia.⁴⁰¹

³⁹⁴ “Grupo Casino continua vendendo carne proveniente da Terra Indígena Uru-Eu-Wau-Wau, apesar de processo judicial na França,” *InfoAmazonia*, Fábio Bispo, June 29, 2023

³⁹⁵ “Cattle raised illegally on indigenous land in Pará supply JBS and Frigol,” *Repórter Brasil*, Gil Alessi, September 15, 2022

³⁹⁶ “Grupo Casino continua vendendo carne proveniente da Terra Indígena Uru-Eu-Wau-Wau, apesar de processo judicial na França,” *InfoAmazonia*, Fábio Bispo, June 29, 2023

³⁹⁷ Mighty Earth (2023) 68 Deforestation cases, zero response: JBS fails to act on deforestation in its Brazilian supply chain, *Mighty Earth*: Washington, D.C., United States

³⁹⁸ “Brazil lawsuits allege direct relationship between meatpackers, deforesters on protected land,” *The Associated Press*, Fabiano Maisonnave, Associated Press, and Rubens Valente, *Agência Pública*, December 19, 2023

³⁹⁹ “JBS Accused of Buying Cattle from the Most Deforested Resex in the Amazon,” *Agência Pública*, Rubens Valente, *Agência Pública*, Fabiano Maisonnave and The Associated Press, December 19, 2023

⁴⁰⁰ “Takeaways from lawsuits accusing meat giant JBS, others of contributing to Amazon deforestation,” Fabiano Maisonnave, The Associated Press, and Rubens Valente, *Agência Pública*, December 19, 2023

⁴⁰¹ “Takeaways from lawsuits accusing meat giant JBS, others of contributing to Amazon deforestation,” Fabiano Maisonnave, The Associated Press, and Rubens Valente, *Agência Pública*, December 19, 2023

2. Indigenous peoples' labor rights

- 1) **2020:** After dismissing 40 some Indigenous people from the Kaingang community during the COVID-19 pandemic, the Brazilian labor prosecutor's office sued JBS in June 2020 alleging labor discrimination. The judge ruled against JBS and granted an injunction requiring JBS to reinstate the workers and "pay individual damages of 10 times the salaries of each of the laid off workers, based on the value of their contracts at the time of the mass dismissals" and "collective damages equal to 50% of the total sum of the individual damages."⁴⁰²
- 2) **2023:** In a case related to the rights of Indigenous peoples, a Brazilian workers' union filed a complaint against JBS in July 2023 on behalf of at least 76 people, some of whom are members of the Terena Indigenous community, who were working in conditions "analogous to slavery" as third-party chicken catchers.⁴⁰³

VIII. Other JBS bad acts

JBS has also been engaged in a series of fraud cases and other bad acts.

A. Fraud

- **Antitrust violations.** In 2008, JBS announced it was buying National Beef Packing, the U.S.'s fourth-largest beef processor, leading regulators in Washington, D.C., to file an antitrust lawsuit asserting the acquisition would impose a "fundamental restructuring of the U.S. beef-packing industry" and "eliminate head-to-head competition," hence bringing up consumer prices. JBS abandoned the deal a year later.⁴⁰⁴
- **Price-fixing pork.** In 2022, JBS paid multiple settlements totaling over US\$150 million for a price-fixing scheme in the U.S. pork market.⁴⁰⁵
- **Price-fixing poultry.** In 2020, a settlement was reached in a class action suit in which JBS subsidiary, Pilgrim's Pride, pleaded guilty to "conspiracy to suppress and eliminate competition" in price-fixing scheme in the U.S. poultry market and agreed to pay a US\$107-million settlement.⁴⁰⁶
- **Price-fixing beef.** In 2022, settlements were reached with the U.S. Department of Justice for price-fixing scheme in beef markets, as well as with Direct Beef Purchases (grocers and others), totaling US\$52.3 million for price fixing in beef

⁴⁰² "Court Confirms Brazil's JBS Must Reinstate Indigenous Workers and Pay," *Reuters*, Ana Mano, Reuters, October 6, 2021

⁴⁰³ "Brazilian Union Sues JBS Over Alleged Exploitation of Chicken Workers," *Reuters*, Ana Mano, July 14, 2023

⁴⁰⁴ "JBS: The Story Behind the World's Biggest Meat Producer," *Forbes*, Keren Blankfeld, April 21, 2011

⁴⁰⁵ "Are you paying too much for bacon? One of the big meat producers just settled a price-fixing lawsuit for \$20 million," *Fortune*, Josh Funk, September 20, 2022

⁴⁰⁶ "Pilgrim's Pride Ex-CEOs Face Felony Trial Over Alleged Price-Fixing in Chicken," *Forbes*, Chloe Sovino, February 22, 2022

markets.⁴⁰⁷ In 2023, JBS agreed to pay US\$25 million in a settlement with commercial beef purchasers for a price-fixing scheme.⁴⁰⁸

- **Unfair competition in Australia.** In June 2021, Australian authorities opened an unfair competition investigation concerning JBS's proposed acquisition of Rivalea, a pork company in Australia. In December of that year, authorities announced they would not oppose the purchase.⁴⁰⁹
- **Sanctions evasion.** In 2008 when the EU put restrictions on beef exports from Brazil, JBS circumvented the restrictions by using its Australian subsidiary to continue supplying beef to the EU.⁴¹⁰
- **Failure to maintain identity of beef carcasses and weights.** In December 2018, USDA acted against JBS Swift/JBS USA Food Company for insufficient records of carcasses, a violation of Fair Trade Practices Program, in 2017 and 2018 in Nebraska.⁴¹¹ JBS paid a civil penalty fine of US\$50,000 to resolve the matter. In addition, as part of the consent agreement JBS agreed to pay corrected cattle prices for those ranchers who were underpaid and to cease and desist “[f]ailing to properly maintain the identity of each seller’s livestock and the carcasses therefrom,” among other provisions.⁴¹² JBS paid a similar US\$29,000 civil penalty fine earlier in the same year for failure to maintain scales for weighing carcasses in Colorado.⁴¹³
- **Wage-fixing lawsuit.** On March 7, 2024, JBS entered into an agreement to pay US\$55 million to settle a U.S. lawsuit that accused the JBS and Tyson Foods of conspiring to keep workers’ wages low. The lawsuit alleges that JBS, Tyson Foods and other red meat companies entered into “an illegal agreement” and breached antitrust law by exchanging confidential wage information through surveys and meetings.⁴¹⁴

⁴⁰⁷ “JBS to Pay \$25 Million in Latest Beef Price Fixing Settlement,” *Reuters*, Mike Scarcella, April 17, 2023

⁴⁰⁸ “JBS to Pay \$25 Million in Latest Beef Price Fixing Settlement,” *Reuters*, Mike Scarcella, April 17, 2023

⁴⁰⁹ See: “Meet the Batistas, the Global Beef Barons Battling for Control of Australia’s Meat,” *The Guardian*, Ben Butler, August 29, 2021; ACCC, Public Registers, Mergers registers, Public informal merger reviews, JBS Australia Pty Ltd - Rivalea Holdings Pty Ltd and Oxdale Dairy Enterprise Pty Ltd, see: <https://www.accc.gov.au/public-registers/mergers-registers/public-informal-merger-reviews/jbs-australia-pty-limited-rivalea-holdings-pty-ltd-and-oxdale-dairy-enterprise-pty-ltd>.

⁴¹⁰ “JBS: The Story Behind the World’s Biggest Meat Producer,” *Forbes*, Keren Blankfeld, April 21, 2011

⁴¹¹ See: “AMS Reaches Consent Decision with JB S USA Food Company,” USDA Agricultural Marketing Service, press release, December 14, 2018; “JBS Fined 50,000 Incorrect Recording Carcass Weights, Grades,” *Drovers*, Wyatt Bechtel, December 17, 2018

⁴¹² See: “AMS Reaches Consent Decision with JB S USA Food Company,” USDA Agricultural Marketing Service, press release, December 14, 2018; “JBS Fined 50,000 Incorrect Recording Carcass Weights, Grades,” *Drovers*, Wyatt Bechtel, December 17, 2018

⁴¹³ See: “AMS Reaches Consent Decision with JB S USA Food Company,” USDA Agricultural Marketing Service, press release, December 14, 2018; “JBS Fined 50,000 Incorrect Recording Carcass Weights, Grades,” *Drovers*, Wyatt Bechtel, December 17, 2018; “JBS Shortchanges Nebraska Ranchers, Violating the Packers & Stockyards Act,” *Food & Power*, Claire Kelloway, January 3, 2019; “Behind the curtain of the JBS net zero pledge,” *IATP*, Ben Lilliston, October 21, 2021

⁴¹⁴ “JBS, Tyson agree to pay \$127m to settle “wage-fixing” lawsuit,” *JustFood*, Eszter Racz, March 13, 2024

B. Other bad acts

Since 2000, JBS’s U.S. subsidiaries have been fined US\$34 million for employment-related offenses—including wage violations and employment discrimination—and US\$3.2 million for safety-related offenses. These bad acts can be grouped into three categories, people, animals and environment.

1. Harm to people

- Wrongful death action against JBS Executives related to COVID-19⁴¹⁵
- Discrimination allegations against JBS USA by Black plant workers in Pennsylvania in May 2023⁴¹⁶
- JBS Swift to pay US\$5.5 million in race and religious discrimination action⁴¹⁷
- 2020 U.S. Department of Labor sued JBS for failing to protect workers in Colorado, Wisconsin and Texas
- 2020 Brazilian judge fines JBS US\$3.6 million for not providing adequate protections to workers
- 2022 U.S. Department of Labor, Occupational Safety and Health Administration assessed US\$227,786 in civil penalties for “four repeat, four serious and two other-than-serious violations” and infractions, including an incident leading to crushing injuries and amputation of workers’ fingers.⁴¹⁸

2. Harm to animals

- Animal cruelty of chickens by subcontractor of JBS subsidiary⁴¹⁹
- Animal cruelty of piglets by subcontractor of JBS subsidiary⁴²⁰

⁴¹⁵ “Wrongful death suit against JBS executives still moving forward,” *Times-Republican*, Robert Maharry, January 28, 2023

⁴¹⁶ “JBS USA Faces Bias Lawsuit by Black Pennsylvania Plant Workers,” *Bloomberg Law*, Peter Hayes, May 16, 2023

⁴¹⁷ “JBS Swift to Pay up to \$5.5 Million to Settle EEOC Race and Religious Discrimination Claim at Greeley Plant,” United States Equal Employment Opportunity Commission, press release, June 9, 2021

⁴¹⁸ “Federal Investigators find JBS Foods Failed to Protect Green Bay Plant Worker from Amputations by Ignoring Required Safety Standards,” U.S. Department of Labor, press release, June 20, 2023

⁴¹⁹ “JBS: The Brazilian butchers who took over the world,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, Lucy Michaels, Dom Phillips, André Campos, Diego Junqueira, Claire Smyth and Rory Winters, July 2, 2019

⁴²⁰ “JBS: The Brazilian butchers who took over the world,” *The Bureau of Investigative Journalism*, Andrew Wasley, Alexandra Heal, Lucy Michaels, Dom Phillips, André Campos, Diego Junqueira, Claire Smyth and Rory Winters, July 2, 2019

3. Harm to the environment

- Violations of state and federal water discharge rules in the U.S. resulting in pollution⁴²¹

IX. Recognition of ESG and other risks related to JBS

JBS's repeated failures to live up to environmental and social commitments, as well as related criminal, civil and administrative investigations and resolutions, have led customers and financiers to exit business with JBS and prompted leaders in the U.S. cattle industry to compare their activity to that of the mafia.⁴²² The following entities have raised concerns, de-risked or downgraded JBS specifically or Brazilian beef companies generally:

- Walmart, Carrefour and Pão de Açúcar no longer purchase from entities related to Amazon deforestation in the Pará state in June 2009.⁴²³
- In 2012, Tesco canceled its contract with JBS following claims that its cattle may have been raised on illegally deforested land in the Amazon.⁴²⁴
- UK grocery retailer Waitrose pulled JBS corned beef from its shelves in 2017 following allegations that JBS was involved in purchasing cows from farms accused of slave labor.⁴²⁵
- In 2018 the Norwegian Government Pension Fund (GPF), the world's largest pension fund, divested and dropped JBS⁴²⁶ after concluding that "there remains an unacceptable risk of gross corruption associated with JBS."⁴²⁷
- In 2020 Nordea Asset Management, the investment arm of northern Europe's largest financial services group, divested and dropped JBS from all its funds, not just ESG portfolios, for its risk of corruption, deforestation, handling of COVID-19, and frustration with management responses to crises.⁴²⁸

⁴²¹ BankTrack/Feedback/Mighty Earth (2023) *A Rotten Business: How Barclays became the go-to bank for JBS, one of the world's most destructive meat corporations*, BankTrack/Feedback/Mighty Earth: Nijmegen, The Netherlands/London, United Kingdom/Washington, D.C., United States

⁴²² "Written Testimony of Leo McDonnell Columbus, Montana On behalf of the United States Cattlemen's Association Submitted to the U.S. Senate Committee on Finance Legislative Hearing on "Cattle Supply Chains and Deforestation of the Amazon", United States Cattlemen's Association, testimony, June 22, 2023, see: https://www.finance.senate.gov/imo/media/doc/06222023_mcdonnell_testimony.pdf.

⁴²³ Greenpeace (2011) *Broken Promises: How the cattle industry in the Amazon is still connected to deforestation, slave labour and invasion of indigenous land*, Greenpeace Brazil: São Paulo, Brazil

⁴²⁴ "Tesco cancels meat contract over Amazon cattle claims," *The Telegraph*, Louise Gray, June 5, 2012

⁴²⁵ "JBS dropped slavery linked supplier a year ago," *Food Navigator*, Oscar Rousseau, June 7, 2017

⁴²⁶ See: Mighty Earth (2022) *The Boys from Brazil, How JBS became the world's largest meat company – and wrecked the climate to do it*, Mighty Earth: Washington, D.C., United States; "World's largest pension fund dumps shares in beef firm in wake of corruption scandal," *Earthsight*, July 24, 2018

⁴²⁷ Letter from Mighty Earth to the SEC, August 9, 2023, see: <https://www.mightyearth.org/wp-content/uploads/Mighty-Earth-SEC-JBS-IPO-Submission.pdf>

⁴²⁸ See: Mighty Earth (2022) *The Boys from Brazil, How JBS became the world's largest meat company – and wrecked the climate to do it*, Mighty Earth: Washington, D.C., United States; "Investors drop Brazil meat giant JBS," *The Guardian*, Dom Phillips, July 28, 2020

- In 2022 in a related business line of JBS, specifically collagen, Vital Proteins, a supplement manufacturer and customer, announced it would “end sourcing from the Amazon region effective immediately.”⁴²⁹ The decision followed an investigation linking bovine collagen with deforestation and violence against Indigenous peoples where “at least 2,600 sq km of deforestation [was] linked to the supply chains of two Brazil-based collagen operations.” The hides purchased by Vital Proteins were sourced by JBS and another large Brazilian meatpacker.⁴³⁰
- “[S]ix major European-based supermarkets and JBS customers (Ahold Delhaize, Carrefour Belgium, Lidl, Sainsbury’s UK and Auchan France) (. . .) removed JBS or Brazilian beef products from their supermarket shelves because of the links to deforestation in the Amazon and elsewhere (. . .)” in the 2022 timeframe.⁴³¹
- In 2023 Standard & Poor’s downgraded JBS to “negative” based on “subdued demand,” “industry obstacles,” and a concern about the extraordinary dividend payment related to the proposed restructure in the F-4 IPO prospectus form filed with the SEC in July 2023.⁴³²

X. Other relevant government actions

A. The United States

Bailout. In 2019-2020 timeframe JBS USA received as much as US\$90 million in bailout funds from the Trump administration from a US\$28-billion fund to help U.S. farmers address trade damages suffered because of the administration’s policy. Seventeen senators from the United States Senate Committee on Agriculture, Nutrition, & Forestry, including Senator Debbie Stabenow and others, wrote a letter to the U.S. Secretary of Agriculture urging him to address the inequities in the payments to farmers. The letter expressed concern over the trade assistance and made specific reference to payments that assisted “wealthy farms and foreign companies instead of small farms” such as “[p]ayments made to billionaires and foreign-owned companies, including US\$90 million to JBS.”⁴³³ Senator Stabenow also requested a Government Accountability Office (GAO) audit related to the

⁴²⁹ “Why We Won’t Stop Reporting on Brazilian Butchers,” *The Bureau of Investigative Journalism*, Grace Murray, June 5, 2023

⁴³⁰ “Collagen Wellness Industry’s Star Product Drives Deforestation and Human Rights Abuses,” *The Bureau of Investigative Journalism*, Elisângela Mendonça, Andrew Wasley and Fábio Zuker, March 6, 2023

⁴³¹ Mighty Earth (2022) *The Boys from Brazil, How JBS became the world’s largest meat company – and wrecked the climate to do it*, Mighty Earth: Washington, D.C., United States

⁴³² Letter from Mighty Earth to the SEC, August 9, 2023, see: <https://www.mightyearth.org/wp-content/uploads/Mighty-Earth-SEC-JBS-IPO-Submission.pdf>

⁴³³ Letter from the United States Senate, Senator Debbie Stabenow, et. al., to Sonny Perdue, Secretary of Agriculture, United States Department of Agriculture, November 12, 2019, see: <https://www.agriculture.senate.gov/mfp-letter>

program and GAO granted this request in February 2020.⁴³⁴ In January 2022, the audit report was issued and did not mention JBS by name.⁴³⁵

USDA. Among JBS’s customers is the United States government, including the United States Department of Agriculture (USDA). Following the series of corruption scandals in and around 2017 there were significant questions if JBS should continue to receive the benefit of these contracts.

In 2019 Representative Rosa DeLauro (D-Conn.) sent a letter to the then Secretary of Agriculture, Sonny Perdue, demanding an investigation of JBS and its subsidiaries in the U.S. based on JBS’s use of federal money and acquisition of customers.⁴³⁶ After no action was taken Representative DeLauro repeated her call for an investigation and added that USDA should pursue suspension and disbarment of JBS and its subsidiaries, consistent with USDA Office of Inspector recommendations to “do more” to ensure government contractors are ethical.⁴³⁷

Chairwoman Carolyn Maloney of the United States House of Representatives Committee on Oversight and Reform wrote a letter on June 17, 2022, to the then Secretary of Agriculture, Thomas J. Vilsack, to express concern about USDA’s decision to continue to grant government contracts to JBS despite “a series of major criminal and civil actions against the parent company and its affiliates for bribery, price fixing and fraud.”⁴³⁸ Chairwoman Maloney noted that since JBS’s parent company’s guilty plea and agreement to pay a penalty in excess of US\$250 million for a violation of the Foreign Corrupt Practices Act, the USDA proceeded to grant over US\$25 million in contracts to JBS. In addition, a subsidiary of J&F, Pilgrim’s Pride pled guilty in a separate antitrust prosecution in February 2021 to price fixing and agreed to pay US\$100 million in fines, yet the USDA proceeded to award them over US\$35 million in contracts.⁴³⁹

In a November 2022 response to Chairwoman Maloney’s letter, the USDA Agriculture Secretary responded explaining that the USDA focused on whether the company’s performance as a government contractor put the taxpayer as contractor specifically at risk and that barring JBS could be harmful as JBS has only a few competitors. The Secretary also said that they need to be “attentive to the high degree of fragility in the market” and noted that USDA takes “particularly seriously a pattern or practice of legal violations or disregard for cooperation with law enforcement authorities and note the

⁴³⁴ “GAO to Investigation Trade Aid,” *Farm Progress*, February 19, 2020

⁴³⁵ United States Government Accountability Office (2022) *USDA Market Facilitation Program, Oversight of Future Supplemental Assistance to Farmers Could be Improved*, United States Government Accountability Office: Washington, D.C., United States

⁴³⁶ “Federal government won’t stop buying food from meatpacker tied to bribery case,” *Politico*, Marcia Brown, January 10, 2023

⁴³⁷ “Federal government won’t stop buying food from meatpacker tied to bribery case,” *Politico*, Marcia Brown, January 10, 2023

⁴³⁸ Letter from Representative Carolyn Maloney, Congress of the United States, House of Representatives, to Thomas J. Vilsack, Secretary of Agriculture, Department of Agriculture, June 17, 2022, see: <https://static.politico.com/2d/9d/1fbec851431e97b1024e2816edfc/maloney-letter-to-vilsack-on-jbs-june-2021.pdf>

⁴³⁹ Letter from Representative Carolyn Maloney, Congress of the United States, House of Representatives, to Thomas J. Vilsack, Secretary of Agriculture, Department of Agriculture, June 17, 2022, see: <https://static.politico.com/2d/9d/1fbec851431e97b1024e2816edfc/maloney-letter-to-vilsack-on-jbs-june-2021.pdf>

possibility of a range of stepped-up compliance mechanisms should those be necessary to ensure trust going forward.”⁴⁴⁰

In April 2023, as USDA continued to enter contracts with JBS, the Chairwoman’s sentiments were echoed in by U.S. Senator Jamie Raskin, Ranking Member of the Committee on Oversight and Accountability, and Senator Elizabeth Warren who wrote a letter to the USDA advocating that the criminal activity of JBS warranted suspension and possible disbarment. The Senators calculated that “[i]n total then, J&F and its subsidiaries have been subjected to at least US\$3.4 billion in fines and penalties in both the U.S. and Brazil in the past six years alone. Yet despite the scale of this figure and J&F’s pattern of brazen misconduct, USDA has continued awarding JBS and Pilgrim’s Pride government contracts worth over US\$118 million collectively since their guilty pleas.”⁴⁴¹ In response to the correspondence Agriculture Secretary Tom Vilsack said barring JBS from government contracts could hurt taxpayers because there are so few competitors.⁴⁴²

Senate hearing. The United States Senate Committee on Finance hosted a hearing on June 22, 2023, “Cattle Supply Chains and Deforestation of the Amazon,” during which the Committee Chair Senator Ron Wyden “accused JBS of ‘turning a blind eye as parts of its supply chain burn down the Amazon’ and (. . .) observed that ‘JBS has made promises it would clean up his act when it came to deforestation. Most recently JBS said it would eliminate cattle involved in deforestation from supply chains by 2025. The reality is JBS is nowhere near meeting this commitment. Not even JBS’s direct suppliers are totally clean.”⁴⁴³

⁴⁴⁰ “Vilsack JBS Case Shows Need To Expand US Meat Processing,” *The Fencepost*, Jerry Hagstrom, January 11, 2023

⁴⁴¹ Letter from Senator Elizabeth Warren and Jamie Raskin, Ranking Member Committee on Oversight and Accountability, Congress of the United States, to Thomas J. Vilsack, Secretary of Agriculture, Department of Agriculture, June 17, 2022, see:

<https://www.warren.senate.gov/imo/media/doc/2023.04.19%20Letter%20to%20USDA%20re%20JBS.pdf>

⁴⁴² “Federal government won’t stop buying food from meatpacker tied to bribery case,” *Politico*, Marcia Brown, January 10, 2023

⁴⁴³ “Wyden Hearing Statement on Cattle Supply Chains, Amazon Deforestation,” The United States Senate Committee on Finance Chairman Ron Wyden, D-Oregon, press release, June 22, 2023

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